

SAMIR AMIN

THE FUTURE OF
MAOISM

Translated by Norman Finkelstein



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PART I

THREE MODELS FOR DEVELOPING
THE PRODUCTIVE FORCES:
SOCIALIST, STATIST, AND CAPITALIST

The object of this study is to investigate the structural differences between three alternative models of development. The setting of this investigation is the contemporary underdeveloped periphery; that is, the predominantly rural, agriculturally backward, largely self-contained, and barely (and unequally) industrialized regions of the world.

The three developmental strategies we will compare are national autocentric, peripheral capitalist, and statist. The point of departure of the first is the abolition of private property in land and industrial plant. Its salient politico-economic features are the priority development of agriculture (i.e., equal exchange between the countryside and city rather than the imposition of a forced tribute on the peasantry) and an egalitarian distribution of income.

The second strategy is predicated on the laws of capitalist accumulation in a class-divided society; hence, the revenues of the land-owners, middle, and capitalist classes constitute deductions from the social surplus. Because the periphery is integrated into the world capitalist system, the comparative profitability of economic alternatives, as determined by the world capitalist law of value, is considered the most reliable and adequate measure of efficiency.

The third strategy is also premised on the abolition of private property. However, in contrast to the national autocentric approach, a tribute is imposed on the peasantry to accelerate industrialization and significant differences in income are tolerated (a) between the countryside and the city and (b) between different levels of skill and productivity.

Each of these three strategies underpins the reproduction of a distinct class system and hegemonic bloc. The blocs corresponding to each one are, respectively, an alliance of the working class with the peasantry, an alliance of imperialism with the local exploiting classes, and an alliance of the state bourgeoisie with the new middle classes.

I. SOCIALIST PRODUCTION AND DISTRIBUTION STRUCTURES

1. Our starting point is an underdeveloped country in which a "socialist revolution" has occurred. This presupposes (a) public ownership of the means of production: the state and collectivites now control the social surplus (if this is a monetary economy, the surplus takes the apparent form of enterprise profit); and (b) collective proprietary rights over the land, enjoyed by rural associations.

We further assume that the country under investigation is underdeveloped; some 80 percent of the population therefore resides in the countryside. These rural workers are organized in communes which produce, in addition to subsistence goods (e.g., foodstuffs, artisan-type and village industry products), intermediary goods and equipment (natural fertilizers, seeds, tools hitherto supplied by rural artisans, labor to maintain the irrigation system, etc.). With the income obtained through the sale of foodstuffs and agricultural raw materials needed in the industrial sector, commune dwellers purchase manufactured consumption goods, intermediary products (e.g., chemical fertilizers), and equipment for agriculture.

Urban wage laborers, the other 20 percent of the population, are presumably employed in a wide range of fully commercialized units which, besides providing services, produce manufactured consumption goods, intermediary goods, and equipment. The consumption goods are sold to both the urban and rural workers. Intermediary and capital goods are purchased by the rural communes and urban enterprises.

2. Each product must still be endowed with a price, and labor-time is chosen as the unit in which to measure values. Let us now imagine a situation in which the net product of society—that is, the

Table 1

	Rural production	Urban production	Total
Plant depreciation	10	10	20
Intermediary consumption	15	20	35
Direct labor	80	20	100
Total value of production	105	50	155

value added, or total production minus productive consumption (productive consumption = depreciation on plant and equipment + raw material consumption)—is equal to, say, 100 (100 billion monetary units), of which 80 are the net product of the countryside and 20 the net product of the cities. In this scenario the annual value-products of a rural and urban worker are held equal. For the moment, we abstract from the quantity of labor actually supplied by each of these categories of workers; in other words, we assume that the peasant who labors between six and twelve hours a day (depending on the season), 300 days per year, and the worker who daily puts in an eight-hour day, 280 days per year, produce equal values annually. We also abstract from the quantity and quality of labor furnished by each worker taken individually. We presume an average worker who receives either an average urban wage or an average rural income (in this last sum are included compensations in kind); average urban and rural incomes are equal and the overall range of incomes is, in any case, extremely narrow.

Production values are determined by the addition of the depreciation value, value of intermediary consumption, and value of direct labor added. For example, in our hypothetical society, value produced would break down as shown in Table 1.

The ratio between dead and living labor is 25/80, or 31 percent, for rural production and 30/20, or 150 percent, for urban production. The difference in percentages reflects the relative backwardness of rural as compared to urban production.

The annual net product (national income) is equal to 100 billion monetary units for 100 million workers per year. Urban and rural incomes are equal: 1,000 units per worker annually. The total value of agricultural production is 105 billion. This last sum refers to the

Table 2

	Rural workers	Urban workers	Total
Income	80	20	100
Breakdown of income			
Foodstuffs	48	12	60
Non-foodstuff consumption goods	32	8	40

total value of a wide variety of products, but it can also express the value of a single product, say, 210 million tons of grain (the price per ton of grain would therefore equal 500 monetary units). The same is true of the urban product, the value of which is 50 billion; the latter can express the value of a single product, for example, 10 million tons of steel, in which case the price per ton would be 5,000 monetary units (the value of a ton of steel would thus equal the value of ten tons of grain). In Table 1 we disaggregated only two sectors of production, but all branches and products are susceptible to this kind of calculation.

What distinguishes this system of labor accounting is the political-social principle of equating the annual labor of all workers; put another way, world prices are not determinant in this model. If the state monopoly of foreign trade is rigorously upheld, tea can be exported (sold in dollars) and chemical fertilizers imported (paid for in dollars), and the balance of external trade can be equilibrated in dollars and at world prices; while, at the same time, the purchase of tea from and the sale of fertilizers to the peasants will be in national monetary units and at prices determined by the national system of labor accounting.

3. Total distributed revenue, 100 billion, is divided between rural and urban workers in the same ratio as the rural/urban distribution of population: 80 billion (this figure includes the monetary equivalent of the peasants' income in kind) and 20 billion, respectively. The result is analogous rural and urban consumption structures. For example, the workers in both sectors set aside 60 percent of their income for food consumption and 40 percent for non-food consumption (see Table 2).

Table 3

	Rural pro- duction	Portion of column 1 produced and consumed directly in the countryside	Urban pro- duction	Total pro- duction
Capital goods	5	(5)	15	20
Intermediary goods	15	(7)	20	35
Consumption goods				
Foodstuffs	60	(48)	—	60
Non-foodstuffs	25	(25)	15	40
Total	105	(85)	50	155

The national economy must therefore produce 60 billion worth of foodstuffs and 40 billion worth of non-foodstuff consumption goods. Such a consumption pattern, in turn, determines the schedule of equipment and intermediary goods production, as 55 billion worth of these last two categories of goods are needed to produce the above-mentioned balance of consumption goods. Table 3 traces this breakdown of national production.

At this stage of underdevelopment, subsistence production still plays an important role in the total economy of the countryside. Rural production which is not marketed includes (a) all the foodstuffs consumed in the countryside (in our hypothetical scheme, 48 units); (b) the major part of the peasants' non-foodstuff consumption—e.g., artisan-type goods, lodging, etc. (25 units); (c) half the means of production employed in the rural sector—e.g., rudimentary tools, draft animals, irrigation equipment, etc. (5 units); (d) half the productive consumption—e.g., natural fertilizers, livestock provisions, etc. (7 units).

Commercial production in the countryside is thus, qualitatively speaking, relatively insignificant. Only 20 units are sold to the city (12 units of foodstuffs and 8 units of raw materials for urban

Table 4

1. Rural Production					
Inputs (purchases)	From rural production	From urban production	From labor power	Total	
Equipment (depreciation)	5	5	—	10	
Intermediary goods	7	8	—	15	
Labor	—	—	80	80	
Total	12	13	80	105	
Outputs (sales)	To rural pro- duction	To urban pro- duction	To rural workers	To urban workers	Total
Equipment	5	—	—	—	5
Intermediary goods	7	8	—	—	15
Consumption goods					
Foodstuffs	—	—	48	12	60
Non-foodstuffs	—	—	25	—	25
Total	12	8	73	12	105

industry). Purchases amount to 5 units of modern equipment (tractors, trucks, etc.), 8 units of intermediary goods (chemical fertilizers, insecticides, cement), and 7 units of manufactured, non-foodstuff consumption goods. In this way, city-countryside exchanges balance each other out.

The underdeveloped state of the productive forces in the countryside is evidenced in the primitive division of labor (agricultural products, artisan-type goods, and various kinds of capital goods are still produced in this scarcely specialized sector of the economy) and the low level of mechanization.

The urban economy, in which only 20 percent of the population participates, is entirely commercial and more developed. This sector produces non-foodstuff consumption goods (15 units, of

Table 4 (cont.)

2. Urban Production					
Inputs (purchases)	From rural production	From urban production	From labor power	Total	
Equipment (depreciation)	—	10	—	10	
Intermediary goods	8	12	—	20	
Labor	—	—	20	20	
Total	8	22	20	50	
Outputs (sales)	To rural pro- duction	To urban pro- duction	To rural workers	To urban workers	Total
Equipment	5	10	—	—	15
Intermediary goods	8	12	—	—	20
Non-foodstuff con- sumption goods	—	—	7	8	15
Total	13	22	7	8	50
3. Workers					
Inputs (consumption)	Rural workers		Urban workers		Total
Foodstuffs	48		12		60
Non-foodstuff con- sumption goods	32		8		40
Total	80		20		100
Outputs (incomes)	80		20		100

which 8 are destined for urban consumption and 7 are sold to the countryside), intermediary goods (20 units, with 8 vended to the countryside and 12 earmarked for urban industries and services), and equipment (15 units, of which 5 are sold to the countryside).

4. A comprehensive picture of the various economic transactions

in our hypothetical country is presented in simplified form in Table 4. Three groups of agents are represented: rural units of production, urban units of production, and rural and urban workers.

5. This model is not necessarily one of simple reproduction. To be sure, the production of equipment (20 units) is reckoned as depreciation on equipment consumed during the year (the rural and urban sectors each consume 10 units). However, it may be the case that the equipment and intermediary goods do not just reproduce the factors of production which are productively consumed each time around but are also used to increase final production from one year to the next.

In order to illustrate this expansion and intensification of production (i.e., expanded extensive and intensive reproduction), we must make certain quantitative modifications in the table: the production of consumption goods must be reduced (from, say, 100 to 90) and the production of equipment and intermediary goods must be proportionally augmented (from 20 to 24 and 35 to 41, respectively). What is not needed from the latter branches for productive consumption in the current year can be used for the modernization and enlargement of the productive apparatus (these investments will bear fruit in the forthcoming year). The distributed income will also diminish by 10 percent. A fourth section is therefore necessary, one which reckons state accumulation; output records the production units to which the surplus is allocated and input records the purchases of supplementary production goods.

Accordingly in Table 4, the figures in the spaces recording the labor input in the rural and urban sectors will have to be reduced from 80 to 72 and 20 to 18, respectively. Furthermore, a "net surplus" line must be appended to each of the first two sections, on which 8 and 2 units, respectively, are credited. Revenues and expenses in the third section (workers) are reduced by the 10 percent which corresponds to the net surplus. In our model the net surplus results from the application of fiscal measures which reduce by an equal percentage all remunerations on labor. But an alternative approach is possible; if there is a unified system of wages and prices, and labor productivity varies from one production unit to the next, a tax can be applied to the profits of the most productive units.

6. This model illustrates the unfolding of the law of value in a socialist and national context. Labor, which is the only remunerated

factor of production, is compensated on the basis of the quantity forthcoming. Furthermore, the backwardness of agriculture as compared to industry is ignored. In effect, it makes no sense to compare productivities where different use-values are being produced. Only when the agricultural and industrial sectors of our hypothetical peripheral country are juxtaposed against their counterparts in the developed world does the relative difference in rural and urban productivities become apparent: the agricultural sector is ten times less productive in the underdeveloped than in the developed world, while industry is only three times less productive in the periphery. Agriculture is thus 3.3 times more backward than industry.

II. THE REPRODUCTION MODEL AND THE WORLD CAPITALIST LAW OF VALUE

1. The world capitalist law of value expresses itself in the social organization of a country in two ways: first of all, in the ground rent, profit, and sundry other revenue deductions from net income that the exploiting classes impose; and second, by the adoption of world capitalism's price-incomes system of reference.

2. In the countryside, where property is unequally distributed and the poor peasants are desperate for a strip of land, ground rent accounts for two-fifths of the net product from agriculture. This is the average proportion in South Asia (e.g., India) and Southeast Asia, the Arab world, and Latin America. To simplify matters we assume that the only source of income for the poor and middle peasants—that is, the quasi-totality of the rural population—is the return on labor and that ground rent is monopolized by a minority.

Each of the three major social classes residing in the cities of the contemporary third world—the unskilled and barely skilled workers who account for some three-fourths of the working population, the middle classes who account for the other one-fourth, and the infinitesimal, statistically negligible minority that derives its income from returns on capital and land ownership—garners an equal third of the total urban income. The impositions of the exploiting and privileged classes thus distort the distribution model of net income (see Table 5).

Table 5

	Socialist Model			Capitalist Model		
	Income	Popu- lation	Per capita income	Income	Popu- lation	Per capita income
Countryside						
Peasants	80	80	1.00	48	80	.60
Ground rent	—	—	—	32	—	n.s.
City						
Workers	20	20	1.00	7	16	.43
Middle class	—	—	—	7	4	1.75
Profits	—	—	—	6	—	n.s.
Total	1.00	1.00	1.00	1.00	1.00	1.00

n.s.: not significant

3. While the preceding point on the distribution of income among social classes in the socialist and capitalist systems is rarely contested in the literature, the same cannot be said of the effects on the national system of integration into the international capitalist division of labor.

In our view, because the law of value is global in its reach, the system of "competitive" prices (reference prices) which results is structured by the price ratios (and thus productivity ratios) of the world system. The quantity of socially necessary labor is determined by the labor productivities in the most advanced regions of the system. If ten times less labor is needed in the United States than in India to produce a ton of grain, the U.S. value of grain will prevail in the system; likewise, if three times less labor is needed in the United States than in India to produce a ton of steel (this ratio being representative of the relative industrial productivity of the two models), the U.S. value of steel will stand as the reference for industrial prices. That the law of value operates on a world scale is confirmed by the decisive influence that price relations in the center exert over the periphery. It therefore makes no sense to concede the global character of the productive system and yet

Table 6

	Socialist and National Law of Value			World Capitalist Law of Value		
	Value added	Popu- lation	Per capita value added	Value added	Popu- lation	Per capita value added
Rural workers	80	80	1.00	57	80	.71
Urban workers	20	20	1.00	43	20	2.15
Total	100	100	1.00	100	100	1.00

at the same time gainsay the operation of the law of value on a world scale.

According to the current estimates of the Food and Agriculture Organization (FAO), agricultural productivity in the third world is ten times inferior to that in the developed countries, while productivity in the industrial-service sector is only three times less. This latter ratio is calculated by dividing the value added in all the industrial and service sectors of the Common Market countries by the total number of employees and then comparing this result with the figure obtained after doing the same computations for the third world.

The same source reports that in third world capitalist countries as a whole, the value added per worker is three times greater in the urban as compared to the agricultural sector. This confirms the thesis according to which the law of value that structures the productive systems in the periphery expresses the productivity ratios of the center: the prices in which values added are measured in each of the countries surveyed by the FAO report are, with slight local variations, analogous, homogenized on a world scale.

As compared to what obtains when the law of value is inserted within a socialist and national context, its operation in a world capitalist framework thus introduces a second distortion in the distribution of values (see Table 6).

4. We can now compare the distribution structure of the same

Table 7

	Socialist Model			Capitalist Model		
	Value added	Population	Per capita income	Value added	Population	Per capita income
Rural sector						
Peasants	80	80	1.00	34	80	.42
Rent	—	—	—	23	—	n.s.
Urban sector						
Workers	20	20	1.00	15	16	.93
Middle class	—	—	—	15	4	3.75
Profits	—	—	—	13	—	n.s.
Totals	100	100	100	100	100	100

n.s.: not significant

physical product within a socialist framework (i.e., where there are no exploitative classes and the law of value operates on a national basis) and a capitalist one (i.e., where exploitative classes subsist and the law of value operates on a global basis). To obtain the table for the capitalist distribution structure, we must reduce agricultural income from 80 (48 for the peasants and 32 for ground rent) to 57, and increase urban income from 20 (7 each for workers and the middle classes, and 6 for profits) to 43 (see Table 7).

Thus, the peasants' income in the socialist model is approximately 2.4 times higher than it would be in the peripheral capitalist model; the share of income appropriated by the urban sector is about the same in both models but it is much more equitably distributed in the socialist model (46 percent of the income in the capitalist model takes the form of rent and profits and 15 percent is appropriated by the middle classes).

If the rural sector is ten times less productive in the underdeveloped as compared to the developed countries, and the industrial and service sector is three times less productive, then, as a weighted average, productivity in the periphery is 15 percent of

that in the developed countries (the exact ratio is 1 to 6.7). Hence, if the per capita income in the developed countries is on the order of \$2,000, in the periphery it would be \$300. This \$300 corresponds to 1.00 in Table 7; the average income of the peasant-workers would then be \$126, the urban workers, \$280, and the middle classes, \$1,125. These absolute figures are very close to those of contemporary India; while the figure of \$300 as the average income of the peasants, urban workers, and salaried employees comes very close to that of China.

5. Luxury goods consumption in the world capitalist model is the prerogative not only of the middle classes but also of that minority which lives off of ground rent and returns on capital. Thus, whereas in the socialist model the demand structure is shaped exclusively by the consumption demands of the popular masses, in the capitalist model around 50 percent of production services popular demand and the other 50 percent luxury demand. Because luxury production consumes more scarce factors of production (equipment, skilled labor, etc.) than production for popular consumption, the essential productive forces in the capitalist model are mobilized to allow a minority to enjoy a Western-style living standard. This conclusion corresponds to the results of our study of the Arab world: 75 percent of the skilled labor is employed in industries directly or indirectly servicing luxury consumption.¹

6. A transfer of value from the periphery to the center also occurs as a result of the insertion of the underdeveloped capitalist model within the world capitalist system. In our model, capital advanced in the industrial and service sector will increase to 70 (seven times the depreciation on capital) and the consequent rate of profit will be 8.6 percent (6/70). This unusually high profit rate derives from remunerations on labor which, comparatively speaking, are less than proportional to productivity. A 6 percent average rate of profit would yield a total net profit of four. Through the workings of the world price mechanism, the two additional superprofits end up, for the most part, in the center. A part of the ground rent will also be transferred there through the adjustment of agricultural export prices (e.g., two units, if 10 percent of the agricultural product is exported). In addition to these transfers that are concealed by the price mechanism, there is the overt transfer of fully half the profits realized in the periphery (some three units). In total, around 7 percent of the GNP is transferred from the periphery to the center.

III. A SOCIALIST STRATEGY FOR DEVELOPING THE PRODUCTIVE FORCES

1. The following strategy for developing the productive forces is based on three principles: (a) equal exchange between the city and the countryside; (b) an income structure which is egalitarian regardless of relative sectoral and individual productivities; and (c) a redistribution of the centralized social surplus in such a way that agriculture and the mass consumption industries are accorded priority development and basic industries are conceived as means and not as ends in themselves.

Redounding upon the state planning agency is the task of correctly setting the two key national magnitudes that articulate this strategy: (a) a uniform wage for all urban workers, regardless of enterprise productivity, and (b) a price for agricultural products which secures for the peasantry a real revenue (measured by physical consumption) equal to that of the workers.

By fixing prices on industrial products at a level higher than what would be needed for simple reproduction, we obtain a net surplus (i.e., what is left after covering depreciation costs). Because these prices are uniform in each branch of production, enterprises with less than average productivity show lower than average and sometimes even negative profits. The profits are centralized and then redistributed in accordance with the overall plan, one objective of which is the progressive modernization of the backward sectors and enterprises at a rhythm compatible with the maintenance of full employment. Table 8 records the first year's results.

Per capita remuneration in the countryside and the city is evidently equal (1.00). However, a sectoral discrepancy in per capita value added now shows up. In the countryside it equals 1.00, whereas in the urban centers it totals 1.50 (20+10/20); for the national economy as a whole, it equals 1.10 (110/100). This discrepancy in productivities results not from the operation of the world capitalist law of value; rather it results from a national political decision regarding the desirable rhythm of growth, which in turn determines the relative volume of net surplus (here, 6 percent of the GNP).

In a more rigorous model, the relative prices of industrial goods and therefore the productive consumption totals would be modified

Table 8

	Rural sector	Urban sector	Total value	Percent
Depreciation and intermediary consumption	25	30	55	33
Labor	80	20	100	61
Net surplus	0	10	10	6
Total value produced	105	60	165	100

in view of the introduction of a net surplus. To simplify our presentation, however, the original figures are retained here: 25 and 30, respectively, for the two sectors.

2. In the course of a ten-year period, population would presumably increase at an annual rate of 2 percent (an index of 122 for the end of year ten). A developmental strategy is mapped out in which agriculture is accorded priority; the yardstick of success is accordingly the extent to which society has achieved self-sufficiency in foodstuff production at steadily increasing levels of consumption. Per capita value added in the rural sector will increase by 2 percent per annum (thus, an index of 122 at the end of year ten). But the proportion of the total population which is rural progressively diminishes; from 80 percent at the beginning of year one, it drops to 70 percent at the end of year ten. In the urban sector per capita

Table 9

	Rural sector	Urban sector	Total
Population (active)	85.00	37.00	122.00
Per capita return on labor	1.22	1.22	1.22
Total return on labor (2×1)	103.00	45.00	148.00
Per capital value added	1.22	2.00	1.45
Total value added	103.00	74.00	177.00
Net surplus	0.00	29.00	29.00

Table 10

	Rural sector	Urban sector	Total value	Percent
Depreciation and intermediary consumption	34	84	118	40
Labor	103	45	148	50
Net surplus	0	29	29	10
Total	137	158	245	100

productivity will increase at a rate of 3 percent per annum (hence an index of 134 at the end of year ten; per capita value added will therefore equal 1.50×134 or 2.00). Productivity increases are accompanied by a relative increase in the productive consumption component of value produced (from 33 percent to 40 percent). The per capita return on labor, which is inter- and intra-sectorally uniform and is determined by the productiveness of the rural sector, increases gradually from 1.00 to 1.22. At the end of year ten, we get the figures shown in Table 9.

Since the value added in the urban sector—return on labor + net surplus, or $45 + S$ —divided by the urban population (37) gives a quotient of 2.00, S must equal 29.

Table 11

	Year 1	Year 11	Annual rate of growth (in percent)
Return on labor	100	148	4.0
Depreciation	20	33	5.1
Net surplus	10	29	11.2
GNP ($1+2+3$)	130	210	4.9
GFCF/GNP ($2+\frac{3}{4}$)	23%	29%	—
Rural production	105	137	2.6
Urban production	60	158	10.2

Table 10, which delineates the production structure at the end of year ten, is based on calculations using constant prices (in this case, the prices fixed in year one).

3. The efficaciousness of this developmental strategy can be measured in the following way. In year one, depreciation equals 20 and the net surplus equals 10. Gross Fixed Capital Formation (GFCF) represents some 23 percent of the Gross National Product (GNP) ($20 + 10/130$).

Assuming that the average real life span of capital goods is twelve years, the stock of fixed capital in operation during the first year can be estimated at 240 (20×12). In the course of the ten-year period, the annual net surplus will therefore increase by some 160 (slightly less than $10 + 29/2 \times 9$). The depreciation on fixed capital in operation at the end of year ten (assuming that its life span is still twelve years) is equal to $240 + 100/12 = 33$. At the end of year ten GFCF equals 62 ($33 + 29$) and GNP equals 210; GFCF as a percentage of GNP therefore equals 29. The average annual rate of growth of the GNP is 4.9 percent (from 130 in year one the GNP rises to 210 at the end of year ten, or to an index of 161). Gross investment, which is 23 percent of the GNP in year one and 29 percent at the end of the tenth year, averages 26 percent over the ten-year period. The gross coefficient of capital is therefore on the order of five. Table 11 highlights the evolution of these different growth indexes.

The evolution of the rural and urban sectors is reviewed in Table 12.

Development objectives are realistic and therefore modest. Growth averages only about 5 percent per annum. Nonetheless, there is a palpable improvement in popular living standards (4 percent per annum). The national economy is in a position to accommodate this ever-increasing demand for foodstuffs and non-foodstuff consumption products (annual demand for these two categories of goods increases at rates of 3.2 percent and 5.1 percent, respectively). Production in the countryside becomes more specialized; there is a slow but steady decline in the number of rural artisans engaged in the manufacture of consumption and durable goods. The industrial sector is more and more able to meet the demand for non-foodstuff consumption goods. Light industry expands at a rapid tempo (8.6 percent per annum) and heavy industry at a still faster rate (11 percent per annum). Two constants inform this dynamic growth: the means—self reliance—and the ends—popular consumption.

Table 12

	Year 1		Percent Year 11		Percent Rate of growth (in percent)
Rural production	105		137		2.6
Foodstuffs	60	(57)	82	(60)	3.2
Non-foodstuff					
consumption goods	25	(24)	32	(23)	2.5
Means of production	20	(19)	23	(17)	1.4
Urban production	60		158		10.2
Consumption goods	15	(25)	34	(22)	8.6
Means of production	45	(75)	124	(78)	11.0
Workers consumption	100		148		4.0
Foodstuffs	60	(60)	92	(55)	3.2
Non-foodstuff goods	40	(40)	66	(45)	5.1
National production	165		295		6.0
Foodstuffs	60	(36)	82	(28)	3.2
Non-foodstuff					
consumption goods	40	(24)	66	(22)	5.1
Means of production	65	(40)	147	(50)	8.5

4. This theoretical model is derived from China's real developmental experience between 1950 and 1980. Enough data is available to allow us to establish how certain basic quantitative relations broke down in the case of China's political economy: (a) the proportional distribution of rural production between animal and vegetable foodstuffs production, artisan production, construction, and public works; (b) the fraction of this production which was commercialized; (c) the proportional distribution of industrial production between production of means of consumption, intermediary goods, and equipment; and (d) the total values produced in the agricultural and industrial sectors relative to each other and as a percentage of total production.

An additional essential relationship in the Chinese model is the "wage/price of rice." Only if this proportion is correctly worked out will the percentage breakdown of total real income between

urban and rural workers correspond to the percentage distribution of population between these two sectors. The egalitarian distribution of income within China's urban centers, on the other hand, is contingent on the rigorous application of two principles: a wage scale which is uniform for the entire country and one which is kept within very narrow limits. It turns out that the overwhelming majority of Chinese families (average size five to seven members, of which three or four are usually gainfully employed) do in fact enjoy a roughly equal consumption standard.

However, there is still no real equality among producers; and there will not be so long as the productive forces are at such a level of development that a wide range of skills within the working class is still required. How is this factor taken into account? One level at which the ratio between the productivity of skilled and unskilled workers can be measured is apprenticeship costs. If a worker's active life is thirty years and the number of years separating the entry of a highly skilled worker into the labor force from an unskilled worker is at most fifteen years, this ratio would be 1 to 1.5. These differences in labor productivity must be taken into account when measuring the value of goods for whose production variable proportions of skilled labor are needed; but they do not justify corresponding wage differentials, at least theoretically, since apprenticeship costs are borne by society.

In fixing the reference price of the labor input, the plan must therefore utilize fictitious wages which take into consideration the social costs of apprenticeship. Real wages, by contrast, can be freely determined, even if their scale is more or less fixed; it is a purely political decision. Of course, the sum of real wages paid out must equal the total which would result from a calculation in value terms.

In the capitalist system, the actual scale of wages bears no relationship to apprenticeship costs. The ratio between the minimum wage and the wage of a highly skilled worker is on the order of one to five and sometimes even higher. This differential is justified on the grounds of supply and demand—that is, the relative scarcity of specialists. In fact, this scarcity of specialized labor is a function of an inegalitarian educational and status system. The capitalist wage scale does not result from the working out of objective economic laws. Rather, it is a quintessentially social product; political alliances grounded in this material reality facilitate the reproduction of the prevailing social system. For example, by offering trained

specialists exceptionally high wages, the hegemonic political bloc is able to secure their allegiance.

While equal remuneration for all varieties of work is a fundamental principle of a classless society, such equality can only be relative during the transition, for until the advent of communism, recourse to material incentives remains necessary in the allocation of labor power.

The structural logic of the model corresponds to the developmental strategy in which it is inscribed. To equalize values created by different kinds of work—rural and urban, backward and modern—the profits of the more productive sectors and enterprises are centralized by the financial system (prices are fixed on the basis of the less productive units in the branch). This net surplus is then redistributed to facilitate the modernization of the economy's more backward sectors. (By way of contrast, in the Soviet Union between 1930 and 1960, the accumulated surplus was extracted from the collectivized agricultural sector.) This mode of financing the modernization process basically corresponds to the structural reality of the Chinese model between 1950 and 1980: agriculture did not have to bear any significant tax burden; the essential sources of accumulation were commercial and industrial profits which were centralized in the public budget. The logic of the system was such that investments were made in the highly productive and the backward sectors.

We will make four assumptions: (a) population increases at an annual rate of 2 percent; (b) agricultural productivity increases at an annual rate of 2 percent per rural laborer; (c) industrial productivity increases at an annual rate of 3 percent per urban worker; and (d) the annual rate of accumulation equals 25 percent of the GNP. On this basis, we may project the following per annum growth rates: the income of rural and urban workers will increase at a rate of 4 percent; rural production, 2.6 percent (3.2 percent for foodstuffs); industrial production of means of consumption, 8.6 percent; production of capital and intermediary goods, 11 percent; national income, 5 percent. These rates are, in fact, below the actual tempo of Chinese growth.

IV. A CAPITALIST STRATEGY FOR DEVELOPING THE PRODUCTIVE FORCES

1. Let us assume that the same underdeveloped economy undergoes peripheral capitalist development. In order to compare this kind of development with the socialist strategy, we assume the same rhythm of population growth (2 percent per annum), the same rate of GNP growth (4.9 percent per annum), and the same total investment effort and increase in intermediary consumption. We also assume that the price system is the same (i.e., that of year one in the socialist model).

The structural and political differences between the two models can be summarized as follows. First, the specificity of the capitalist structure is manifested in the division of national income into two equal parts: the working classes take one half and the middle and exploiting classes the other half.

Second, contradictions pertaining to population growth and distribution (e.g., the exodus from the countryside and the consequent urban congestion) are not mastered by the state. Labor power is treated like any other commodity and there is no real improvement in popular living standards. The total returns on labor thus increase from forty-eight in year one to fifty-nine at the end of year ten; the index (122) and its rate of growth (2 percent) correspond to those of the population. The increase in remuneration in no way signifies that there is full employment; on the contrary, because competition and profitability determine where investments are made, artisan production is invariably bankrupted before the modern industrial sector is able to absorb all the newly "liberated" workers. The ensuing unemployment structures the labor market, so that only moderate increases in per capita income are registered; total returns on labor increase at the same rate as population growth.

Finally, the economy is fully integrated into the world capitalist system. Foreign capital is called on to finance local projects with the consequent expatriation of profits and transfers of value inherent in the system of unequal exchange. Agricultural and mineral products are exported to finance the importation of capital and equipment.

2. The logic of the model for financing growth that corresponds to these hypotheses is worked out in Table 14, which itself is derived from Tables 11 and 13.

Table 13

Gross National Product	130
Gross Fixed Capital Formation Depreciation	20
Net capital formation	10
Sources for financing Net Fixed Capital Formation	
Local (loans)	10
Net external contribution:	
capital infusions from abroad	10
minus expatriated profits	- 10

The Gross National Product increases in the course of the decade from 130 to 210 (thus, a 4.9 percent annual rate of growth), while Gross Fixed Capital Formation increases from 30 to 62 (depreciation costs increase from 20 to 33 and net accumulation from 10 to 29).

We assume that there are significant real local savings, which increase at the same rhythm as in the socialist perspective: net local savings (i.e., savings minus depreciation expenses) increase from 10 to 29. These are, in part, private and spontaneous and, in part, forced savings (the latter via the agency of the state).

In these circumstances, an equilibrium in the external balance (i.e., the ratio between foreign capital investments and profits expatriated) may obtain. In effect, the capital accumulated increases from 240 to 400; this includes an increase from 140 (year one) to 230 (end of year ten) in the total foreign capital invested locally. In year one, expatriated profits total ten and, in year ten, they total seventeen; in each case they amount to 7 percent of the total accumulated foreign capital. The infusion of new capital compensates for this expatriation of profits and the value transfers; it accordingly increases from ten to seventeen.

The financial model enables us to compute the fraction of national income which accrues to the middle and exploiting classes in year ten (see Table 14).

We assume here the most favorable hypotheses: (a) the effort at local savings is maximal and dependence on foreign capital is therefore reduced to a minimum; (b) the total investment schedule is no greater than in the socialist strategy (recall that growth in the capitalist model is structured around the consumption demands of the most privileged classes, not the workers, and that luxury goods

Table 14

	Year 1	Year 10	Growth rate (in percent)
1. Productive consumption			
1.1. Depreciation	20	33	5.1
1.2. Intermediate consumption	35	85	9.2
2. Return on labor	45	59	2.0
3. Income: middle and exploiting classes			
3.1. Consumption expenditures	52	89	5.4
3.2. Local savings	10	29	11.2
4. Foreign contribution			
4.1. Capital inflow	10	17	5.5
4.2. Capital outflow	-10	-17	5.5
Total	165	295	
GNP (1.1 + 2 + 3 + 4)	130	210	4.9
GFCF (1.1 + 3.2 + 4)	30	62	7.5

production requires greater investments than production for popular needs); and (c) there is no concealed supplementary value transfer on the primary product exports which pay for vital foreign-built intermediary consumption and capital goods (peripheral capitalist modernization is predicated on these imports).

These optimistic assumptions notwithstanding, the revenues of the middle and exploiting classes evidently increase at a much more rapid tempo than does the income of the working class (6.6 percent as against 2 percent per annum); and while the savings of these privileged classes are not insignificant and grow at an annual rate of 11 percent, luxury goods consumption still increases at a quicker pace than basic consumption (5.4 percent versus 2 percent per annum).

It therefore seems safe to conclude that growth in the peripheral capitalist model is structured by the external demand for indigenous products, which must be exported to pay for vitally needed imports, and local luxury goods consumption. The interests of the

local middle and exploiting classes coincide with the interests of imperialism: external dependence is the bottom line of this alliance. Just as the motors of development in the capitalist periphery differ radically from the motors in a self-reliant, socialist strategy, so too will the respective productive models. For example, the retarded development of food crop production in the capitalist model testifies to an entirely different sectoral distribution of growth. Industry does not serve the priority development of agriculture; inasmuch as it is subsidized by a forced and unremunerated tribute on the peasantry, it is fundamentally parasitic.

3. To flesh out this peripheral capitalist model, we must introduce two decisive modifications in the socialist model delineated above: (a) a ground rent equal to two-fifths of the agricultural product and (b) internal price ratios which correspond to ratios on the world market (industrial-service and agricultural productivities, which are measured according to the system of world prices, will consequently stand in a ratio of 3.3 to 1). We then obtain the following results:

—national income divides into two equal parts: one-half accrues to the workers (i.e., the peasant masses and three-fourths of the urban dwellers) and one-half to the middle and exploiting classes;

—assuming that the GNP and population grow at annual rates of 5 percent and 2 percent, respectively, the peasant masses will, as time goes on, secure a smaller and smaller share of the national income: the incomes of the masses increase only 2 percent per annum, against 6–7 percent for the privileged classes;

—hence the productive apparatus more and more resembles a machine singularly programmed for class exploitation.

In fact, the three annual growth rates which we computed—GNP, 5 percent, workers' income, 2 percent, revenues of the middle and exploiting classes, 6–7 percent—are all superior to the effective rates achieved on the Indian subcontinent between 1950 and 1980. On the other hand, the proportions were the same: the Indian GNP grew at an annual rate of 3.6 percent, workers' income showed no real growth, and the revenue of the privileged classes increased 4–6 percent annually. The dollar estimates of yearly income at which we arrived in our model—\$126 for the rural masses (this is an average; income is, in fact, very unevenly distributed in the countryside), \$280 for the urban working class (even more unevenly distributed, given the massive unemployment), and \$1,125 for the

middle and exploiting classes (enough to purchase an impoverished version of a Western lifestyle)—are very close to those of India.

Whereas the foundation of the Chinese model is an uncompromising commitment to self-reliance, the Indian model reproduces and intensifies external dependence. Our assumption, nonetheless, was that the evolution in terms of trade was relatively favorable to the periphery, and this in fact was the case until the 1970s. However, a deterioration in these terms has now set in. The detrimental impact of this recent turn of events is being felt not only in India but, more especially, in the African and Asian capitalist countries. Clearly, then, wholesale integration into the international capitalist division of labor does not accelerate growth. On the other hand, inasmuch as it contributes to the consolidation of a productive model in which the interests of the privileged classes are determinant, such integration does deform development. A deficit in foodstuffs, external debt, technological alienation, and so on: these are the ineluctable consequences of the peripheral capitalist growth model.

This growth structure reflects the hegemony of the local bourgeoisie (i.e., the landed gentry and industrial bourgeoisie). Dependency, imperialist domination—such is the outcome of national liberation struggles led by this class.

V. A STATIST STRATEGY FOR DEVELOPING THE PRODUCTIVE FORCES

1. Let us now imagine a developmental strategy based on the following principles: (a) state ownership of land and the means of production; (b) autonomous national development in which a comprehensive industrial structure is preferred over the immediate advantages of integration into the international division of labor; (c) “primitive socialist accumulation,” by which a tribute is imposed on agriculture to accelerate industrialization, a hierarchy of wages, based on skill and responsibility is countenanced, and returns on labor are adjusted to variations in enterprise and sectoral productivity; (d) population movements (especially from the countryside to the city) are controlled and full employment is guaranteed.

Table 15

	<i>Socialist model</i>	<i>Statist model</i>
Productive consumption	55	55
Income		
Rural workers	80	40
Urban workers	20	15
Middle class	0	15
Net investment required		
for growth	10	10
Surplus	—	30
Total	165	165
GNP	130	130
Per capita income		
Rural workers	1.00	0.50
Urban workers	1.00	1.00
Middle class	—	3.00

We make the same hypotheses as in the preceding sections. Population increases at an annual rate of 2 percent, the rural component as a percentage of the total population diminishes from 80 to 70 and the GNP increases at an annual rate of 4.9 percent (likewise, we assume the same total investment and increment in intermediary consumption). We also assume a system of constant prices, based on year one of the socialist model.

2. From its inception, the statist strategy is distinguishable from the socialist one in the following significant respects:

—a full 50 percent of the peasantry's income is forcibly appropriated by the state; in the Soviet Union, a tribute of this extraordinary magnitude was actually imposed on the peasantry between 1930 and 1960;

—a part of this rural surplus is used to supplement urban incomes; total urban income is unevenly distributed—one-half accrues to the three-fourths of workers in the cities who have little or no skill and one-half to the skilled worker cadre;

—what remains of the rural surplus in principle is accumulated (net supplementary accumulation).

Table 15 summarizes these results.

Table 16

	Year 1	Year 11	Growth rate (in percent)
Total production	100	122	2.0
Rural	80	85	0.6
Urban	20	37	6.4
Breakdown of GNP			
Productive consumption	55	118	7.4
Income			
Rural workers	40	45	1.2
Urban workers	15	30	7.2
Middle classes	15	37	9.4
Requisite net investment	10	29	11.2
Surplus	30	36	1.9
Total	165	195	
GNP	130	210	4.9
Per capita income			
Rural workers	0.50	0.53	0.5
Urban workers	1.00	1.10	1.0
Middle classes	1.00	4.00	2.9

3. Let us now reckon the results of such a developmental strategy after a ten-year period: (a) there is only a modest increase in total rural incomes (the state, through its control of rural population transfers and agricultural prices, is able to impose such an outcome) and the same is true of the real wages of the majority of urban workers and salaried employees (on the other hand, there is a significant increase in the numerical weight of the urban labor force); (b) the middle classes and cadre are the real beneficiaries of this kind of development: their per capita income grows at a faster rate than the income of the working classes and the percentage of the total population belonging to these privileged social categories increases from 5 in year one to a full 7.6 at the end of year ten; (c) a substantial surplus (30) is left over (see Table 16).

In principle, the enormous surplus appropriated from the rural sector is supposed to accelerate the accumulation process. In order for the GNP to grow at an annual rate of 5 percent, the required

investment is already considerable; as a percentage of the GNP, the GFCF must increase from 23 to 29 in the course of the decade. If the proportion of this surplus that is accumulated gradually diminishes—say, from 10 in year one to 2 in year ten—the gross rate of accumulation would still equal 30 percent of the GNP for the period as a whole. Will additional investments really accelerate growth? If historical experience is any guide, the answer is no. Should the tribute imposed on the rural sector be of such an extraordinary magnitude (in our model, 40), the peasant workers will likely put up resistance and not produce at previous levels. In the urban areas, the very modest improvement in living standards signals that production is not being geared to popular consumption; rather, the animating principle of this growth model more and more appears to be “industrialization for the sake of industrialization”—light industry serves as a market for heavy industry, and so on. The net result: a squandering of valuable resources and a decline in the productiveness of investments.

Beyond this overinvestment, we must still account for that not negligible surplus which in our example amounts to some 15 percent of the GNP (increasing from 20 to 34). In the event, it is used to cover supplementary public expenditures, notably in the military sector.

This productive model is clearly not reducible to either of the other two that we have discussed. The proportion of productive resources directly and indirectly mobilized to service the needs of the popular masses declines from 61 to 51 percent, while the proportion servicing the middle classes increases from 17 to 26 percent; the percentage of production earmarked for the administrative and military sectors rises to 22 percent.

4. Had China pursued a Soviet-type developmental strategy, the outcome would probably have resembled our tabulations for the statist model. Impose a massive tribute on the peasantry, scratch the worker-peasant alliance: this strategy of “primitive socialist accumulation” would not have sustained long-term accelerated rhythms of growth in China. Even in the USSR, where objective circumstances were infinitely more favorable, the application of this model resulted in a catastrophic decline in agricultural production from which the Soviets have still not recovered. That, in the case of the Soviet Union, recourse to a statist strategy resulted in an average annual growth rate of better than 5 percent between

1930 and 1980 (a full 6–7 percent if the 1940–1950 war and reconstruction years are excluded, and this despite demographic growth of only 1 percent) does not prove very much. For given the objective conditions, cumulative growth would almost certainly have been more impressive had a Maoist strategy been pursued.

Note what happens, as the logic of the statist model unfolds, to the incomes of the peasants, workers, and middle classes when, in year one, they stand in a ratio of 1 to 2 to 6, respectively. Despite substantial rhythms of growth, there is no real improvement in the consumption standard of the urban workers (1 percent); on the other hand, the percentage of the total population belonging to the middle classes increases significantly and there is a marked improvement in the per capita income of its constituents (2.9 percent per annum). These rates are more or less what the Soviet Union recorded between 1930 and 1980 (again, leaving aside the 1940s), and perhaps a bit higher.

In fact, whereas the rural population constituted some 70 percent of the total Soviet population in 1930, it now amounts to only 30 percent. Thus, the distortions in the statist productive model which we already observed after a ten-year cycle were not aberrations; on the contrary, they become ever more severe over time.

Not 60 percent or 50 percent, but only around 30 percent of the Soviet Union's resources are directly or indirectly mobilized for popular consumption; one-third services the ever-increasing demands of the middle classes, and the rest goes to the military.

PART II

THE CHINESE MODEL: A HISTORICAL PERSPECTIVE

I. STRATEGIC DEVELOPMENT OF MAOIST CHINA: CHARACTERISTICS AND BALANCE SHEET

1. The Chinese do not inflate their growth rates artificially by fixing exorbitant prices on new products; their statistics are therefore more reliable than Soviet ones. Chinese price policy, in fact, is based on a progressive reduction in the relative (and even absolute) price of rapid growth manufactured goods and a corresponding increase in the relative price of agricultural products.¹

2. According to Thomas Rawski, China's GNP increased at an average annual rate of 6.2 percent between 1952 and 1978. The sectoral distribution of this growth is highlighted in Table 17.

World Bank estimates fall below the official Chinese ones. The figures offered by Chinese critics of Maoism show, for the period 1950–1978, an annual growth rate of 7.3 percent for national income, 3.4 percent for agricultural income (4.3 percent for agricultural production), and 13.5 percent for industrial income (11 percent for light industry and 16.9 percent for heavy industry).²

These critics estimate that in order to achieve growth rates of these magnitudes, more than 25 percent of the national product—and during certain periods as much as 30 percent—had to be accumulated; such rhythms of accumulation are now criticized as too high.

In just three decades China has transformed itself from an underdeveloped agricultural society into a semi-industrialized country.

Table 17

	1952	1978	Annual growth rate (in percent)
GNP (billions of yuan at 1957 values)	70	339	6.2
Population (in millions)	564	994	2.2
Per capita product (1957 yuan)	130	341	7.8
Breakdown of GNP (in percent)			
Agriculture	45.7	25.2	3.4
Industry and transport	27.4	52.1	9.4
Construction	2.1	5.2	10.7
Services	24.8	17.4	4.5
Gross Fixed Capital Formation (as percent of GNP)	10.9	26.5	—

Today it is the only third world country in which the material exigencies of expanded reproduction—in all sectors and at all technical levels—can be satisfied without extensive recourse to the external market.

3. It is no longer disputed that the population increased at an average annual rate of 2.2 percent during the period under consideration. This not inconsiderable growth rate is largely attributable to a sharp drop in infant mortality: between 1954 and 1972, it declined from 21.2 percent to 12 percent.³ The birth rate also fell off, from 43 percent in 1954 to 24 percent in 1978. Efforts to limit population growth have obviously not been in vain; nonetheless, only now, at the end of the first post-revolutionary generation, are there real prospects of a palpable decline in net population growth. While the urban population has increased at an annual rate of only .5 percent, the growth rate in the rural regions remains rather high. Net national growth was still on the order of 1.4 percent per annum in 1978.

According to Rawski, the urban population as a percentage of total population increased from 13 percent in 1953 to 14 percent in 1957 and to 19 percent in 1978. A full 8.5 percent of the urban labor force was without gainful employment in 1957; by 1975 the per-

Table 18. Nonagricultural Labor Power
(millions of workers)

	1957	1975
Industries		
State	8.0	25.0
Collective	0.0	14.3
Artisan	6.6	0.3
Construction	1.9	6.5
Transport	4.4	8.9
Commerce and services	8.9	19.1
Health	1.9	6.6
Education	2.7	7.6
Administration	2.9	6.2
Salt and fish	2.0	2.3
Military	3.0	3.5
Total	42.3	100.3

centage was close to zero. The reader will perhaps be surprised by this observation, which even seems to contradict reports that periodically appear in the Chinese press (especially those lamenting the unemployment problem among the youth). In fact, as compared to the total urban population, the percentage of the employed is exceptionally large: 33 percent in 1957 and 45 percent in 1975. This is the highest percentage in the world for countries with a comparable distribution of age groups, which is not surprising since 84 percent of the urban female population between the ages of 16 and 50 is in the job market. Unemployment is thus not a pervasive phenomenon in China. To be sure, there is disguised unemployment: communes and urban enterprises are staffed with many workers whose dismissal would not adversely affect production. This arrangement is typical of the noncapitalist countries where the "right to work" is considered basic. It is to be hoped that the hidden reserves of labor power will be more productively employed as the economy expands. For the moment, China has opted for a median solution, one which avoids, on the one hand, an authoritarian administrative allocation of labor (which results in

Table 19

	1957	1975
Active rural population (in millions)	243.0	341.0
Supply of labor power (on the basis of 275 person-days per year), in billions of person-days	63.7	90.4
Demand for labor power, in billions of person-days		
Agricultural work		
Cultivation	27.4	33.1 to 49.7
Organic fertilizer		16.6 to 21.5
Ancillary activities	6.2	9.9
Public works	2.3	8.3
Number of annual work days per worker	160	207 to 272

the complete elimination of unemployment, as appears to be the case in the USSR) and, on the other, the right of enterprises and communes to refuse the personnel assigned to them and the right (in the event, more practical than theoretical) of workers to refuse the positions offered them. Whereas official Soviet employment statistics may look more impressive, it is important to keep in mind that Chinese workers enjoy a kind of liberty unknown to their counterparts in the USSR. But the return of young graduates who were earlier settled in the countryside in effect has created something of an urban unemployment problem. The sectoral distribution of nonagricultural labor power is given in Table 18.

The percentage of the rural population actually employed has also increased (see Table 19).

4. In 1950 China's infrastructure was among the most backward in the third world; today, it ranks somewhere in the middle. According to Roberto Palmieri, in just thirty years, China's vehicular network grew from some 81,000 to 800,000 kilometers (10 percent of the communes, however, are still not locked into it), its railway lines from 22,000 to 50,000 kilometers, and its telephone and telegraphic cables, from 300,000 to 4 million kilometers. The mari-

Table 20

	1952	1978	Annual rate of growth (in percent)
Electricity (billions of kilowatts)	7.0	256	14.8
Coal (thousands of tons)	66.0	618	9.0
Oil (thousands of tons)	0.4	104	23.8
Steel (thousands of tons)	1.0	32	14.3

time fleet, nonexistent in 1950, can today handle three-fourths of China's foreign trade.

The World Bank statistics for basic production are shown in Table 20.

Only 5 percent of China's potential hydroelectric capacity is presently being exploited; should the Chinese fully exploit their 500 million kilowatt capacity, they would rank first in the world. Whereas in the other countries of the third world development tends to be concentrated in a single region, in China it is rather evenly distributed. Communes and districts handle 60,000 units of electrical production (the former up to as many as .5 megawatts, the latter as many as 5), which equals 16 percent of total production; the counties and the state are only responsible for the higher units. China's natural resources are, likewise, rather harmoniously exploited: small, technologically backward coal beds, for example, still supply 60 percent of China's primary energy (see Table 21).

Oil production, which was nonexistent in 1950, is now a full 100 million tons, of which 10 million are exported (50 percent to Japan and 20 percent to North Korea). These exports enable China to purchase much-needed equipment without incurring a balance of payments deficit.

Steel output no doubt exceeds what is needed at the present stage of China's development. The Chinese Communist Party's obsession with this index is probably a holdover from Soviet dogmatism. All the same, in order to independently equip certain essential spheres of production—the transport industry (trucks, railways, the merchant fleet), machine tools and electrical products (including high-technology goods such as airplane motors, the electronic

Table 21. Sources of Energy

	1957	1974
Thousands of coal-equivalent tons	102	458
	percent	
Coal	94.57	62.75
Oil	1.86	17.01
Gas	1.04	17.72
Hydroelectric power	2.53	2.52

components in radios, televisions, telegraphs, and telephones), and construction—China had to concentrate on steel production.

China's light industry is now in a position to service the country's basic needs. Textile production, which in 1950 was the only industry of any importance, stagnated until 1969 (production totaled 5,100 million tons in 1964 as against 5,050 million in 1950); since then, it has grown by some 4 percent annually (in 1974, 7,600 million tons of textiles were produced). In 1949, bicycle production was virtually nonexistent; in 1957, 806,000 units were produced and, in 1977, 6 million units. Growth rates in the sphere of popular consumption goods—household furnishings, watches,

Table 22

Year	Value of industrial production (billions of 1957 yuan)	No. of workers employed (in millions)	Production per worker (1957 yuan)
1952	34,330	12.7	2,700
1975	378,480	39.6	9,600
State	325,493	25.0	13,020
Collectives	52,487	14.6	3,629
(Five "small industries")	(29,909)	(4.5)	(5,378)

thermos bottles, radios, and, more recently, televisions—have also been impressive. As is apparent from Table 22, labor productivity in China's light industries has increased at a remarkable pace.

The rate of growth in industrial productivity (an index of 353 in twenty-three years, or 6 percent per annum) is much higher than the 3 percent minimum that we assumed in our model. Since China's industrial infrastructure has now been consolidated, however, labor productivity in this sector will henceforth probably average the 3 percent per annum that we anticipated.

5. According to A. R. Khan and Ng Gek-boo, grain output increased by some 2.53 percent per annum between 1950 and 1976 (5.16 percent between 1950 and 1957 and 3.03 percent between 1969 and 1976) and total agricultural production by some 3.4 percent per annum during the same years. World Bank estimates are of the same order: grain output is said to have grown from 161 million tons in 1952 to 305 million in 1978. Official Chinese estimates are as follows (in millions of tons):⁴

1949	111	1961	168	1970	243
1952	161	1962	180	1973	266
1958	206	1966	215	1977	285

These figures are all the more remarkable inasmuch as arable land is scarce in China: the per capita area under cultivation for the rural population is .25 hectares in China, as against 27.25 in the United States, 3.66 in the USSR, 2.48 in France, 6.34 in Argentina, .64 in Brazil, 1.42 in Cuba, 1.13 in Mexico, and .43 in India (FAO figures). None of these countries has shown a comparable rate of growth over as long a period.

Despite the evident annual fluctuations in output—inevitable in an economy still vulnerable to the whims of nature and, in China's case, no doubt also attributable to certain political errors (on which more shortly)—China can still claim to its credit self-sufficiency in foodstuff production at an acceptable national nutritional standard; no other third world country can make this claim. Grain imports, which as a percentage of total imports have fluctuated between 10 percent and 21 percent (1961, the first year in which grain was imported, 21 percent; 1965–1972, between 10 and 17 percent; 1973–1974, 20 percent; 1975, 10 percent), are quite modest and are, in part at least, justified by financial considerations: reserves were built up during periods when prices were stable.

Table 23

			Period	Per annum growth (in percent)
Rural consumption of energy			1957-78	21
Output of rural small industries				
producing cement			1962-77	23
Production of chemical fertilizers			1957-78	22
Capital goods, calculated in horsepower				
per hectare under cultivation			1957-78	24
Year	Rural consumption of electricity (billions of kilowatts)	Output of rural units producing cement (millions of tons)	Fertilizers (millions of tons)	Horsepower per hectare
1957	.1	0.0	0.8	0.01
1962	1.6	1.6	2.8	0.07
1978	27.0	36.0	48.0	.87

China's remarkable accomplishments in this field are indisputable. If one were to plot on a graph, for example, all the estimates of annual production—regardless of whether they are taken from optimistic official sources or pessimistic critical ones—the slope of the trend toward which these estimates point would always hover between 3 and 4 percent (the slope equals the average of all growths, positive and negative, computed on an annual basis). Long-term growth of this kind is virtually without historical precedent. The magnitude of this achievement is all the more striking when put in its proper context. Even as compared to India, China was a remarkably destitute country before the Chinese Communist Party (CCP) came to power; moreover, conditions in the rural sector had steadily deteriorated during the two centuries preceding liberation. Had China not opted for the Maoist strategy, it would be just another Bangladesh today: out of a probable population of some 600 million, one-half would be living in a state of permanent hunger.

Table 24. Fertilizer Consumption (in 1000s of tons)

Year	Nitrogens	Phosphates	Potassiums	Imports	Total
1957	137	22	—	270	429
1976	3200	1840	200	1009	6249

But the achievement in which the Chinese can take special pride is having provided, in eighteen years (between 1957 and 1973), gainful employment in the rural sector for some additional 100 million able-bodied workers. That the rural labor force could absorb some 40 percent more workers in a little less than twenty years is, in large part, owing to the collectivization and rapid industrialization of this sector. For a period of between fifteen and eighteen years, consumption of industrial inputs by agriculture has increased by a full 20–25 percent annually.

The area under cultivation increased from some 21 million hectares in 1952 to 46.56 million in 1978; the area under cultivation which yielded more than one harvest per year increased from 30 percent in 1949 to 50 percent in 1978; the percentage of plowing performed by tractor fleets is up to 40 (in 1978, some 550,000 tractors and 1,300,000 motor cultivators were in use); fertilizer production (according to Gilbert Etienne) increased by a multiple of 14.5 in twenty years.

The pertinence of our model, which projected only a 3 percent per annum increase in agricultural inputs (in the course of the ten-year cycle, inputs increased from 25 to 34), will become apparent when, at the end of this period of intensive development, growth begins to level off.

China's agricultural sector is about as mechanized today as Japan's was in the 1950s. Rice yields (3.3 tons per hectare) compare favorably with the rest of the world (world average: 2.3; Burma and Thailand: 1.7–1.9; South Korea: 4.6; Japan: 5.7) as do yields for corn (China: 1.4 tons per hectare; world average: 1.6 tons per hectare; Europe: 2–4 tons per hectare). Mechanization has also enabled China to tap hitherto latent sources of labor power (women, for example, can now process grain and spin yarn) and cope with peak season personnel bottlenecks. This mechanization has gone hand in hand with the intensification of agricultural production and the development of small rural industries.

Table 25

	1957	1971
Kilograms per hectare under cultivation		
Organic fertilizers	110.6	156.1
Chemical fertilizers	3.4	38.8
Hydrogen	51.1	92.8

The progress China has recorded in rural production of organic fertilizers is summarized in Table 25.

A full 34.8 million person-years of labor were needed merely to treat the additional kilograms of manure. Additional labor power was also needed to plant more seedlings and transplant more plants; to provide more intensive care for the crops (insecticides); to handle the intensification of harvest cycles (1.31 harvests per annum in 1952; 1.41 in 1957; 1.50 in 1977); and to manage the more labor-intensive crops which were now emphasized (cotton, tea, tobacco, etc.).

In our model, 65 percent of the rural workforce was involved in some aspect of agricultural production (i.e., the production of foodstuffs or of raw materials earmarked for the industrial sector) and 35 percent was engaged in industrial or artisan production, construction, and public works at the end of the two-year period. Now, according to our analysis of personnel utilization in rural China, in 1957 as well as in 1975, 75 percent of the workforce was engaged in either crop cultivation or the production of organic fertilizers (between 49 and 55 percent in cultivation and 29 percent in fertilizer production) and only 25 percent in ancillary activities and public works.

This strategy, which is at one and the same time political (the commune form of organization, the price and agricultural planning systems, etc., all incorporate specific relations of power) and technical (e.g., integrating agriculture, rural development, and small industries), has evidently been paying off (see Table 26). It is important to keep in mind, however, that in exchange for higher real incomes, China's peasants are now expected to put in consid-

Table 26

	1957	1975
Value of agricultural production (in billions of 1957 yuan)	53,700	83,907
Inputs		
in millions of person-years	231.00	328.00
in billions of person-days	36.90	67.90 to 89.4
Productivity		
in yuan per person-years	232.00	255.00
in yuan per person-days	1.46	.94 to 1.24

erably more hours of work. The labor year, only 160 days in 1957, was a full 250 days in 1975 (minimum: 207; maximum: 272). In fact, agricultural productivity in the strict sense has increased only at the modest rate of .6 percent per annum (this amounts to a 10 percent increase between 1957 and 1975). The improvement in real rural incomes is therefore attributable mostly to the expansion in ancillary activities (small industries, construction, rural development) and an evolution in the terms of exchange which privileged agriculture.

6. During the past thirty years, China has earmarked a considerable proportion of its surplus for accumulation. Between 1955 and 1957 this percentage increased from 16.5 percent to 23.4 percent; during the Great Leap Forward (1958–1959) it rose to an extraordinary 37–45 percent; thereafter it stabilized at around 30 percent.

We may distinguish between two forms of accumulation: either the production units themselves take the initiative and set aside part of their revenues for investment, or the invested surplus is accounted for in the state and provincial budgets.

The first form predominates in the agricultural sector. According to Patrick Tissier, in 1964 gross agricultural revenue broke down as follows: taxes, 7 percent; accumulation fund, 10 percent; welfare fund, 3 percent; production expenses, 25 percent; distributed income, 55 percent.

This is not the total picture, since the category “accumulation fund” does not include labor accumulation: some estimates have it that 15 to 20 percent of the rural workforce is involved in labor-

intensive rural development projects. Labor investment rose from 5.4 percent of the GNP in 1955 to 11 percent in 1957, then climbed to 19 percent and 28 percent during the Great Leap years (1958–1959), and finally settled at around 10 percent. In effect, the public works projects undertaken during the Great Leap monopolized so much labor power that basic production schedules were upset.

If labor investments are included, rural accumulation averages an impressive 20–25 percent of total peasant revenues. Generally speaking, communes appropriate these reserves of labor and money (used to purchase equipment) on a voluntary basis. On the other hand, these kinds of voluntary savings are undoubtedly encouraged by the state's generous fiscal policies (only 12 percent of rural income was paid out in taxes in 1957 and by 1975 this had been reduced to 5 percent), its credit and investment priorities (which favored the poorer communes), and the favorable evolution in terms of exchange.

Accumulation in the urban sector is also a function of state appropriations and credit policies. The prices which the state fixes for industrial products are such that technically backward enterprises take in low profits and the more modern enterprises take in substantial profits. The state absorbs almost all of these profits, which are the essential source of its revenues (see Table 27, assembled by Patrick Tissier).

7. Our theoretical model was based on equality between the countryside and the cities and a narrow income and wage scale. How does China's socioeconomic reality compare with this ideal?

In 1950 China did not differ in any essential respects from the rest of the third world. Life in the countryside was more miserable than in the cities. Today, the average income of urban and rural dwellers is approximately equal. All statistical studies point to this conclusion. Thus the proportion of total grain output destined for urban consumption is equal to the ratio of the urban to the total population; in other words, the average per capita allocation of foodstuffs is identical in the countryside and cities. In fact, not only is the annual per capita rural grain ration of 180 kilos not subject to any levies but, in principle, complementary foodstuffs are available to supplement it. Likewise, according to state commerce statistics, the percentage distribution of basic manufactured goods (textiles, hardware, etc.) corresponds to the proportional breakdown of population between the countryside and cities. And finally,

*Table 27. Breakdown of State Revenues
(in percent)*

	1950	1960
Profits from state industries	34.3	64.7
Taxes on capitalist industry	32.9	—
Indirect and commercial taxes	—	28.9
Taxes on individual peasant households	29.6	—
Taxes on communes	—	5.9

the basic price schedule (for lodging, transportation, canteen meals, essential foodstuffs, etc.) is set in such a way that the foodstuff and non-foodstuff purchasing power of the average urban and rural dweller is equal; the average urban wage of seventy yuan, for example, multiplied by the total number of urban wage earners will purchase 20 percent of the available foodstuff and non-foodstuff consumer goods. Evidently, from whichever angle we examine the available statistics, we reach the same conclusion: equal commodity exchange or the equal appreciation of the annual value created by the average urban and rural worker is the operative principle in China's political economy (this notwithstanding the fact that the average per capita annual intensity and quantity of labor in the rural and urban sector may not be equal).

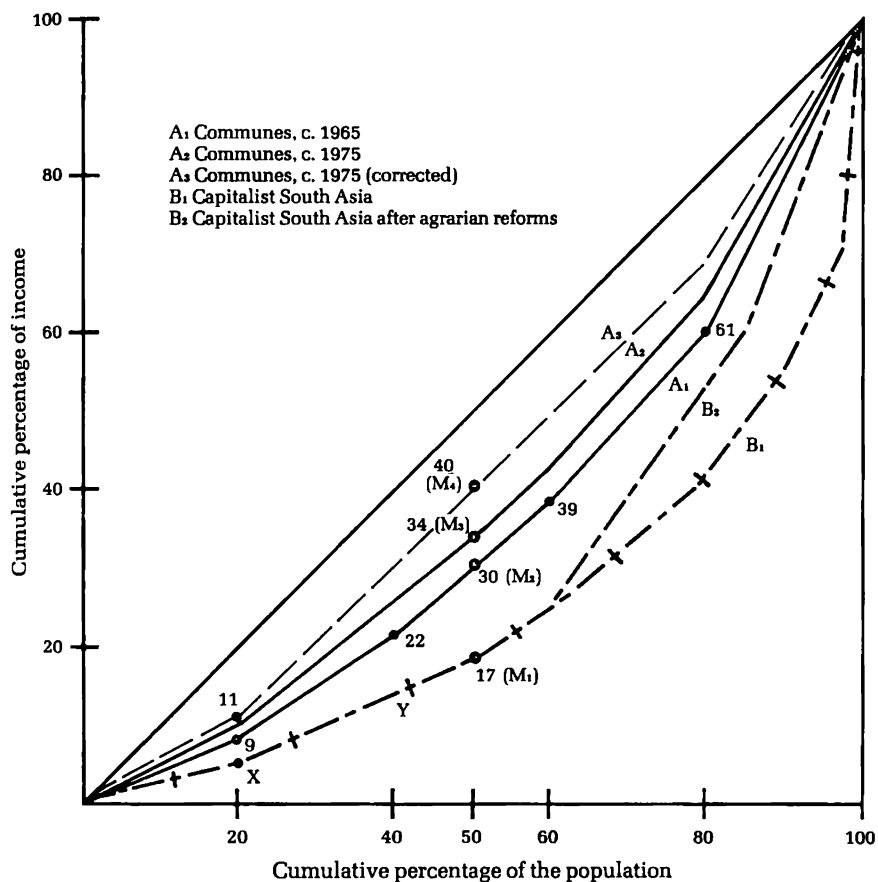
Such equality by no means excludes considerable differences in access to health services (and, to a lesser degree, to education), and the diverse advantages of the cities. Nor, of course, does it exclude uneven regional development for the rural sector. But all studies confirm that a rough parity prevails. According to Tissier, on a typical Chinese commune, the average annual income of a family of five in which two members are gainfully employed is 750 yuan. Official sources contend that subsidiary and familial activities in the rural sector bring in about 200 yuan annually but this estimate is definitely very much on the conservative side. Keith Griffin suggests that peasants earn a minimum of 30 percent of their annual income from family activities alone (in particular, hog-breeding). Thus, using official figures, we get the following results: per capita monthly income: 16 yuan; monthly income of a family of five in which two members are gainfully employed: 80 yuan. The

total monthly income of an urban working-class family (according to Tissier, an urban worker earns on average 60 yuan per month) comes to 120 yuan. If familial and ancillary activities are taken into account, rural and urban incomes are about equal, thus confirming the statistics we just cited for consumption. In sum, whereas in 1956 the consumption/income of urban dwellers was twice that of their rural counterparts (Martin K. Whyte's estimate), today there is approximate equality.

One factor which contributed to this exceptional turn of events is China's price policy. The peasantry has benefited from an evolution in the terms of exchange which privileged the countryside as against the city: according to Nicholas Lardy, the index stood at 100 in 1952 and 164 in 1974.⁵ Inasmuch as wages have not changed much since 1957, it is conceivable that peasants residing in prosperous regions have a higher income than the average urban worker (peasant incomes in poor regions, on the other hand, are no doubt inferior to the urban average).

There is still inequality between communes and, within communes, between brigades and teams. Many communes (to which perhaps as many as 100 million peasants belong) still find it difficult to meet their members' subsistence needs. A. R. Khan and Ng Gek-boo have measured these inequalities. As shown in Figure 1, the Lorenz curve corresponding to the distribution by *quintals* of commune incomes during the 1960s (curve A₁) runs through the central point M₂: the poorer half of the communes produced 30 percent of gross rural output and the richer half 70 percent. In the mid-1970s, the curve was less unequal (curve A₂): the poorer half accounted for 34 percent of collective rural production. If family incomes are added in, we get curve A₃: the poorer one-half of the communes produced 40 percent of the total gross rural output. The contrast with the Lorenz curves typical of capitalist South and Southeast Asia, that is, countries distinguished by exploitative social relations and a highly skewed distribution of property, is striking. Their curves closely resemble the one which corresponds to China in the 1930s: they all pass around point M₁. The poorer half of the peasantry have at their disposal only 17 percent of the total rural product. The inequality would be still more pronounced if capitalist Asia's unemployed—peasants without land or work, with no income other than what they obtain from begging—were included in the calculations. (Let us note parenthetically that not

Figure 1. Income Distribution in China
(Lorenz curves)



even on China's poorest communes does destitution of such an order exist.) The bourgeois agrarian reform implemented in capitalist Asia did nothing to alter the trajectory of that segment of the Lorenz curve which corresponds to the incomes of the more impoverished half of the peasantry. These reforms effected a redistribution of income only among the less destitute half of the rural population (curve B_2). In our analysis of even the most radical agrarian reforms in the contemporary Arab world, we arrived at the same conclusion.

World Bank estimates on income distribution in the third world lend further credence to our analyses. According to David Morawetz, for countries where average per capita income was \$300, the 20 percent of the population which was worst off commanded only 4.7 percent of national income (point x on the graph) and this 20 percent plus the next worst off 20 percent commanded only 13.5 percent of national income (point y).⁶ Note how curves B_1 and B_2 of the graph pass near these points x and y .

All this notwithstanding, the inequality between communes in China is still a problem. The geographical and historical roots of this inequality run deep; they will not disappear overnight. Only after major internal migrations and an enormous investment in infrastructure have been effected will the backward regions catch up with the rest of the country; and until such a qualitative transformation of these regions is forthcoming, investments in the richer regions of the countryside will invariably prove more productive. For a poor country like China, this last consideration cannot be totally ignored. On the other hand, for a nationally integrated society purporting to build socialism, manifest inequality is an anathema—especially if this inequality is exacerbated over time.

If the principle of self-reliance is dogmatically adhered to at the commune level, and therefore no account is taken of unequal endowments, these inequalities will tend to deepen (richer communes can save and invest more, etc.). In theory, correctives exist—for example, enacting a progressive tax which would transfer to the state and provinces the differential rents that derive from varying soil fertilities and geographic locales. Joan Robinson, in fact, has made just such a suggestion. But here in particular the Chinese government has opted for strictly pragmatic solutions: during phases when the state is inspired by egalitarian sentiments, it tends to increase its investments in and capital goods credits for the worse-off

communes; at other times no such subsidies are forthcoming. The net result of these policies, however, has been greater rural equality.

The scale of wages in China is exceptionally narrow. The incomes of the lowest and highest paid workers generally stand in a ratio of 1 to 1.5 or 2. This ratio corresponds approximately to the difference in income between unskilled and skilled workers and also to the relative apprenticeship costs of these two categories of workers. In advanced capitalist countries, the proportion is on the order of 1 to 4, in the East European bloc, 1 to 5, and in the third world capitalist countries, 1 to 10. The narrowness of China's wage scale obviously does not exclude rather pronounced inequalities in real income (advantages in kind), unequal access to social services, and legal and illegal abuses by a small number of cadre and management personnel. Still less does it exclude inequality in the quantity and intensity of labor demanded of each individual worker. But it seems that when all is said and done, the overall picture is still quite impressive, especially as compared to Eastern Europe, let alone the third world.

Inasmuch as the degree of inequality in the urban centers is on the same order as that in the communes, curve A_3 on our graph is a good approximation of the distribution of total revenue in China. On the other hand, according to the World Bank, points x and y correspond to the situation in the capitalist third world; curve B_1 is therefore probably a close approximation of income distribution in the capitalist periphery. There is an enormous chasm between these two curves, one which no statistical manipulation can significantly reduce.

The guidelines of China's developmental strategy were established very early on. First there was Mao's fundamental text, "Ten Great Relationships," in 1956, then in 1958, a State Council directive, the explicit intent of which was to "stabilize the income of an urban wage earner at the level of an average peasant's revenue."⁷ The eight-grade wage scale, established during the 1950s, is still in effect today (minimum monthly income: 35 yuan for an unskilled worker just entering the labor force and not engaged in unusually arduous labor; maximum monthly income: 100 yuan for an engineer).

Ironically enough, contemporary Chinese critics of past policies condemn the harsh treatment meted out to the peasants as compared to the workers rather than—as one might have expected—

just the opposite. Yang Jianbai and Li Xuezheng, in their analysis of countryside-city relations, for example, argue that if, in China, a kilo of fertilizer is needed to obtain a half-kilo of cereal—this proportion is the world average—then the relative price of a tractor is on the steep side: a 20 horsepower tractor costs the equivalent of 35,500 kilos of rice, as against 5,500 kilos in Japan. From this the two authors conclude that industrial prices are too high: in effect, they conceal a surplus transfer from the countryside to the cities. But this conclusion is not all that self-evident. It is true enough that in 1978, the net product per agricultural laborer stood at 364 yuan, as against 2,809 yuan per urban worker; but it must not be forgotten that urban industry supplies the mass of profits out of which development projects—including those centered in the agricultural sector—are financed.

8. Socialism can claim no more impressive a victory in our epoch than China's developmental experience these past thirty years. When put in context, its achievement is all the more remarkable. From the 1920s onward, China was wracked by civil war and warlordism; in the midst of this devastation the Japanese imperialists invaded China and wreaked still more havoc. On the morrow of the Chinese Communist victory, the country's level of development stood visibly below that of even India. Between 1950 and today, China's population has grown from 450 million to almost a billion. And yet it has managed to achieve considerable agricultural growth in unfavorable natural conditions, and to lay the foundations of a comprehensive and autonomous industrial system which despite its backwardness and shortcomings in certain respects, can feed, clothe, and house the people and meet the challenges of national defense and industrial and agricultural modernization. China can now "rise to the occasion" of development while other, more affluent and developed third world countries are being caught in an impasse. However backward it may appear by Western standards, China still disposes of a technological base that will enable it to reap the benefits of that revolution in science and technology on which it has embarked and, ultimately, to master the whole of its productive apparatus.

By the middle of the eighteenth century, Chinese civilization was already on the wane. Never again would its borders extend so far. Never again would there be that near perfect equilibrium between population (130 million) and area under cultivation (390

million mou, or 3 mou per inhabitant). A hundred years after this decline set in, China's population stood at a full 400 million, yet cultivation was still confined to the same area and no progress had been registered on the technological front. Not surprisingly, then, the next century was filled with peasant rebellions and civil wars. Chinese society was disintegrating. No system would take hold: neither a centralized nor a fragmented feudal empire, neither an imperialist-dominated nor an indigenously controlled national bourgeois system. In 1949 China was among the most destitute of the underdeveloped countries.

To their everlasting credit, the Chinese Communists succeeded, in some thirty years, in reestablishing that elusive social equilibrium. With the massive assistance of modern inputs from the industrial sector (fertilizers, select seeds, insecticides, machinery), production of foodstuffs has more than doubled in three decades (the annual rate of growth has averaged an exceptional 3–3.5 percent). The Chinese managed this feat without significantly increasing the area under cultivation. Rather, they employed a thoughtful intensification program combined with the introduction of thousands of small and inexpensive improvements. Had the regime not encouraged the masses to actively intervene in the economic process, China's immense productive potential could never have been tapped. On the debit side of the balance sheet, however, we must mention the Chinese Communists' inability to master demographics (population continues to grow at a rate of at least 2 percent per annum); China's extraordinary accomplishments in the agrarian sector have for the most part been canceled out by this failure. Today, advances in the field of agriculture are contingent on massive modern inputs, which fortunately industry is in a position to readily supply.

The Chinese Communist Party (CCP) succeeded in eliminating the exploitative social relations in which the urban workforce was inserted without reconstituting this exploitation on a new foundation. The vanguard thus proved itself—its vast numbers notwithstanding—as capable as the smallest, most advanced vanguards in the world. Because of its effective social practice and vibrant, creative audacity, the CCP had a real, substantive impact on one-quarter of humanity. Among the accomplishments for which this vanguard can justly take credit are the preservation of the worker-peasant alliance and the creation of what is undoubtedly the most egalitarian society in the world.

However, much still remains to be done. The productive forces are still far from fully developed. The socialist production relations must be consolidated, which means that the real power of the workers, that is, the control of society by the immediate producers, must be expanded. In what follows, we will focus on the weak links of China's political economy, the limits and contradictions of the policies pursued during each of its successive developmental phases, and the dangers and pitfalls of the policies now being proposed. We must not for a moment, however, lose sight of our own limitations: the shortcomings which we now recognize in earlier policies were not always apparent to us at the time they were being implemented.

China's developmental strategy has evolved step-by-step in the course of the past thirty years. Because the principles underpinning this strategy were socialist in content, the society that gradually took shape did not fit into the Soviet mold. But if in the long transition to classless society these principles must be respected, it may be that the modalities of their implementation in the future will differ from what they were during the past thirty years.

China's agricultural strategy until now has been designed around three basic principles: (a) the intensification of labor and the massive expansion of the ranks of the rural workforce, (b) the mechanization of those operations which tended to retard the productive process, and (c) the coordination of rural industrial production with these technical needs of agriculture. Now, as is evident from the conspicuous decline in the marginal productivity of labor, the potential of this strategy is on the verge of being exhausted.

The agricultural sector cannot absorb another 100 million workers. The intensification of human labor in agriculture is limited by the 365-day year, and of all the provinces, the half which are most prosperous have pretty much reached this limit. The regions in which natural and social endowments are most visibly absent no doubt possess reserves; but exploiting them may be very costly. While per hectare yields still average only 2 tons in China (1–3 tons, depending on the region), they should rather soon equal those of the two Koreas (3–4.5 tons) and Japan in the 1950s. But for a qualitative leap to occur, for Chinese per hectare yields to match those of, say, contemporary Japan (5.3 tons), the rural sector must be radically transformed: additional chemical fertilizers and mechanical equipment must be forthcoming, large irrigation projects must be

undertaken (e.g., diverting the waters of the Yangtze northward), and specialized production (notably of animals and dairy) must be encouraged. In short, agriculture must now be modernized on a new basis, that is, without recourse to additional infusions of labor power. This probably means that the role of the rural industries will have to be reevaluated. Not that encouraging their proliferation in an earlier period was an error; far from it. But only dogmatic idealists could argue that because they served a very useful purpose in the past, this must forever be the case.

Accelerated growth is also on the agenda in the industrial and service sectors. Once these two sectors do expand (in particular, the services), they will be better placed to accommodate population transfers from the countryside, especially since productivity will probably rise less rapidly henceforth. But all this is premised on a reduction in demographic growth from 2 to 1 percent (or even less). Accelerated urban growth also will almost certainly spell increasing dependence on foreign trade. The political difficulties that may ensue should not be underestimated: the CCP must simultaneously adapt the system to the exigencies of this new stage in its development and safeguard and advance the achievements of Maoism.

The Chinese no longer consider India the relevant standard against which to measure their progress; hence, their apparent uneasiness and extremely self-critical attitude. The past, as the Chinese see it—and here we mean not only the government but the masses as well—has been effectively transcended; now, progress must be measured against the accomplishments of Japan, the USSR, and even the West. To the extent that these more developed societies are not socialist, such comparisons can be dangerous. And it is more dangerous still for China to compare itself with Taiwan, Hong Kong, Singapore, South Korea, or the regional powers in Latin America (Brazil, Mexico). While these small- and medium-sized countries have indeed registered exceptional growth rates (in certain periods, even exceeding those of China), a country of China's scale, even if inserted within the imperialist division of labor, would not necessarily fare as well. Furthermore, natural conditions in, say, Latin America, were infinitely more favorable than in China. And in each and every case cited above, the development that did occur was at the expense of national independence.

II. PHASES IN CHINA'S DEVELOPMENT: 1950–1980

1. The post-1949 history of China can be divided into successive phases, each of which is clearly distinguishable from the next. At the beginning of each of these phases, a set of official documents was invariably issued which enumerated the tasks for the upcoming period and which condemned everything that preceded the new phase: only the new orientation could, in effect, set everything straight once and for all. In fact, a disinterested examination of the post-1949 period reveals a remarkable continuity through all the apparent reversals of line.

First of all, the curves of the economic data that we have thus far assembled show a remarkable homogeneity from one decade to the next. According to Thomas Rawski, the GNP (in 1957 yuan) grew from 70 billion in 1952 to 105 billion in 1957, to 151 billion in 1965, and then to 266 billion in 1974 and 339 billion in 1978. This corresponds to successive annual growth rates of 8.2 percent (1952–1957), 4.7 percent (1957–1965), 6.6 percent (1965–1974), and 6.1 percent (1974–1978). Figure 2 summarizes this record.

We can, of course, divide the 1949–1980 period into distinct phases, in which each is distinguished by a specific fundamental orientation: 1949–1952—Reconstruction; 1953–1957—Collectivization and the First Five-Year Plan; 1958–1959—the Great Leap Forward; 1960–1965—the Sino-Soviet Split and Readjustment; 1966–1968—the Great Proletarian Cultural Revolution; 1969–1976—Readjustment and Stabilization; and 1977–1980—the New Course. Overall growth was least impressive between 1957 and 1965; the rhythm of growth in grain production sagged between 1958 and 1968 (less than 1 percent per annum, as compared to 5 percent for the years 1950–1957 and 3.3 percent for 1969–1976); industrial growth—particularly in heavy industry—was rapid during the years of the First Five-Year Plan (1952–1957) and between 1962 and 1970; accumulation was greatest—perhaps too great—during the First Five-Year Plan and the Great Leap Forward, and possibly also during the 1970s; income inequality tended to increase following agrarian reform until 1957, after which time the peasantry's standard of living steadily improved and the urban wage scale stabilized.

Present-day Chinese critics of Mao emphasize the erratic rhythms

Figure 2. GNP Growth in China, 1950–1980
(in billions of 1957 yuan)

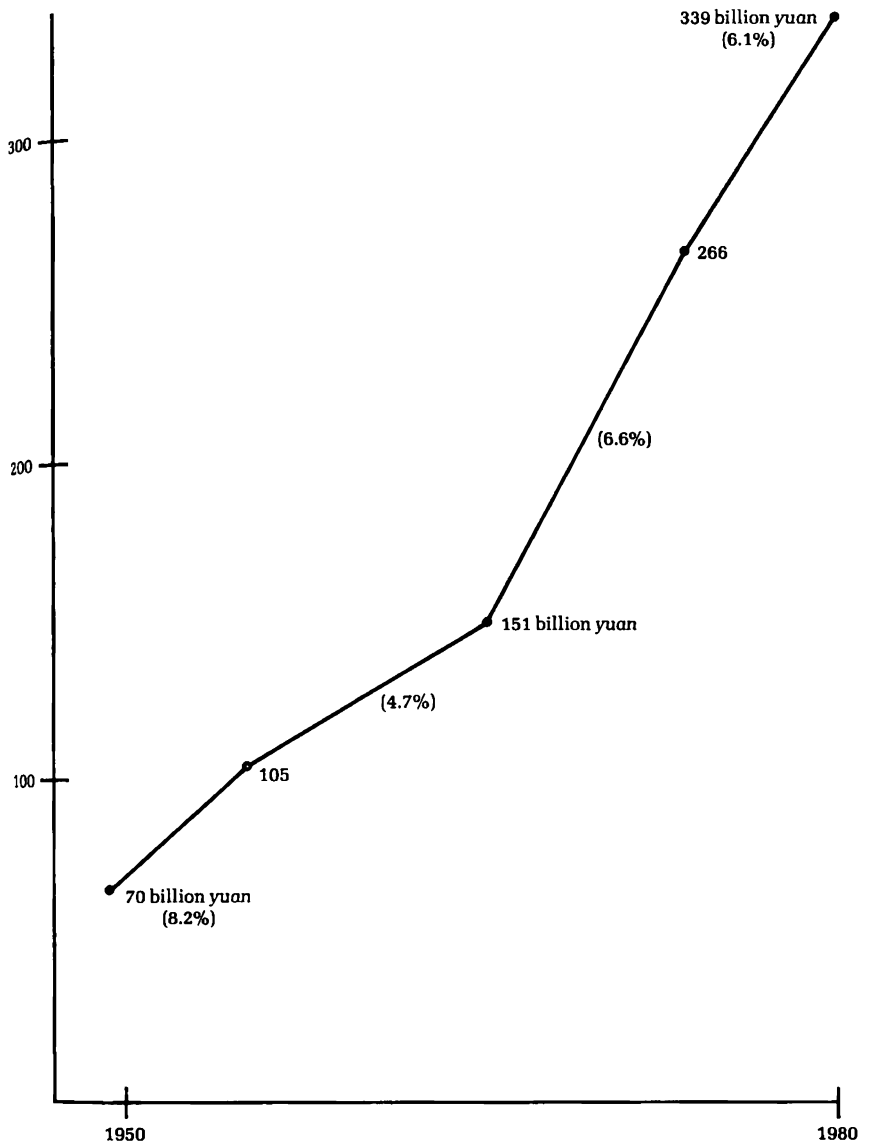


Table 28. Annual Growth Rates
(in percent)

Years	Agriculture	Light industry	Heavy industry
1949-52	14.1	29.0	48.8
1953-57	4.5	12.9	25.4
1957-58	2.4	33.7	78.8
1960-61	-2.4	-21.6	-46.6
1964-65	8.3	47.7	10.0
1967-68	-2.5	-5.0	-5.1

of growth. Yang Jianbai and Li Xuezheng, for example, cite certain statistics which they consider significant (see Table 28).

We should note, first of all, that contrary to a widely held view, the Great Leap Forward was apparently not a catastrophe: the most difficult period (1960-1961) coincided with the Soviet Union's abrupt withdrawal of technicians and materials from projects already in progress (during the Cultural Revolution, the USSR expressed its displeasure with the Chinese in exactly the same way).

The same authors provide data on labor productivity growth rates in industries belonging to the state sector (see Table 29).

If these data are correct, China has experienced more in the way of extensive than intensive accumulation during the past thirty years; this is especially true of the Great Leap and the 1965-1975 periods. These last two periods of accumulation were followed by readjustment phases, during which improvements in productivity rather than an augmentation in the number of production units were emphasized. In this sense, there is at least some justification for certain of the policies which were pursued between 1963 and 1965 and again beginning in 1975.

Palmieri concludes: "A Chinese way exists . . . beyond those twists and turns that always appear absolute but which, in fact, are never really so."⁸

One can infer from the overall balance sheet—albeit with many reservations—that (a) land reform and collectivization, having liberated the enormous reserves in the countryside and put them at the service of rural development, were big successes; (b) had the Chinese adhered to the Soviet model of industrialization beyond

Table 29. Labor Productivity

	Years	Annual growth rates (in percent)
Reconstruction period	1949–52	11.5
First Plan	1953–57	8.7
Second Plan	1958–62	–5.4
Readjustment	1963–65	23.1
Third Plan	1966–70	2.5
Fourth Plan	1971–75	1.8
Average	1950–78	4.6

the First Five-Year Plan, a bigger and bigger tribute would most assuredly have been imposed on the peasantry; (c) the Great Leap Forward was premised on an overestimation of China's capacity for accumulation and rapid growth and consequently it gravely threatened the economic equilibrium; (c) disequilibrating tendencies of the same kind also showed up during the Cultural Revolution; (e) the abrupt break instigated by the USSR in 1960 caused numerous difficulties for the Chinese, but they were rapidly overcome; (f) between 1969 and 1976 a new equilibrium was reached, this time based on deeply rooted institutions such as the communes.

It is striking to observe that no period was unequivocally positive or negative. Between 1950 and 1957 there was exceptional progress in the agricultural sector, but the Soviet-inspired policies which the Chinese enacted in the industrial sector produced numerous distortions. These distortions were not beyond correction, however: a massive tribute had not yet been imposed on the peasantry and the worker-peasant alliance was still intact.

Between 1958 and 1968 the commune experiment was launched and consolidated and certain of its basic features—modest industrial undertakings, self-reliance, egalitarianism, and so on—were defined; on the other hand, this period was marred by certain leftist excesses (which to be sure were short lived). By way of contrast, the seventies appear somewhat pacific, characterized by significant growth in both agriculture and industry and no abrupt changes in line. We should also note the following significant facts: (a) the rightist policies which Liu Shaoqi promoted in the early 1960s and

Deng Ziaoping promoted in the 1970s (e.g., tolerance of family economies and rural inequality) did not result in any significant growth in agricultural production; (b) the record of the brief, so-called leftist periods (the Great Leap, the Cultural Revolution) also leaves much to be desired: however much mass creativity may have been encouraged, these periods were nonetheless marked, at least in the short term, by a decline in growth rates; and (c) the periodic reappearance of a tendency favoring heavy industry created distortions in the economy. To conclude, when a new, median line was implemented during the 1970s, the economy once again found its point of equilibrium and overall performed quite well.

In any case, there were no “Chinese walls” separating the successive phases of development; on the contrary, the general line was advanced in the course of tackling different sides of the same contradictions. To be sure, the CCP always insists on the absolute novelty of every innovation it introduces but, in our view, these rhetorical excesses owe little to scientific analysis; rather, they betray certain of China’s deeply rooted traditions and the magnitude of the problems this enormous country has had to confront. What the Chinese invariably describe as a decisive turning point is in fact only a largely empirical grouping together of rectifications or, put more generally, change within continuity.

2. To demonstrate this continuity, we will review the different phases of development.

The 1949–1952 Period. The Chinese Revolution was, in the first place, a national liberation struggle. Its tasks and strategy were defined by Mao in “On New Democracy” (1940). Because leadership was exercised by the proletariat and poor peasantry, a national democratic revolution of a new type resulted, one which laid the foundations for the socialist transformation of China. The social bases of the movement which defeated foreign imperialism (in particular, the Japanese between 1937 and 1945) were the urban and rural masses that the CCP had organized in the internal class struggle against the feudal and comprador exploiting classes. Following the end of World War II, the principal enemy was once again a bloc of local exploiting classes which controlled the Kuomintang state. Thus, in contrast to the struggles in Vietnam, Cambodia, and Korea, where the principal enemy from beginning to end was foreign imperialism, the new democratic revolution in China had a double dimension: national liberation and the struggle for socialism.

The 1949–1952 period of the revolution has never been criticized in China. The features distinguishing this phase, during which the foundations of the new society were laid, include (a) the nationalization of large enterprises, (b) the completion of agrarian reform, (c) the struggle against tendencies favoring private capitalism, (d) the ideological reeducation of intellectuals, and (e) the defeat of U.S. aggression in Korea.

The 1953–1956 Period. Scarcely had the national democratic revolution been completed before it was transformed into a socialist revolution. In this new setting, the principal contradiction pitted the working class, which by this time commanded the major means of production, against the national bourgeoisie, which had more or less acquiesced in the forfeiture of its property rights.

State power in the hands of the working class and poor peasantry guaranteed the smooth transition from small peasant property (a by-product of agrarian reform) to cooperation. Massive recourse to force and violence proved unnecessary, which explains the success of Chinese collectivization, especially compared to the Soviet debacle of the 1930s. The foundation was thus laid for the worker-peasant alliance—an alliance which remains virtually unshakable to this day—and for socialist development of the kind analyzed in Part I.

The CCP knew of no alternative to the model of development suggested by the Soviet experience. It therefore reproduced on Chinese soil the form of bureaucratic and centralized planning which the USSR had pioneered (in fact, Soviet specialists were chiefly responsible for the actual elaboration of the Chinese First Five-Year Plan). What typifies this system of planning is, first, the administrative allocation of equipment and raw materials to enterprises and, second, the imposition of a production plan elaborated from above by specialists.

The principle of equal exchange between the countryside and the city was nonetheless respected in China; no attempt was made to impose a massive tribute on the peasantry to subsidize industrialization. Furthermore, the range of the wage scale was not extreme, and the egalitarian spirit of Yenan permeated the system of organization and management introduced in the newly liberated cities.

The contradictory results of this orientation pointed up the limitations of a bureaucratic and centralized planning system tempered by authentically socialist elements. Mao took note of this as well as

of the risks which pursuit of this model entailed, namely, the rupture of the worker-peasant alliance, in the "Ten Great Relationships." In 1960 the Anshan Charter, which stressed that building socialism must be a joint venture of the workers, cadre, and party, was promulgated; by way of contrast, the Soviets promoted the Magnitorsk approach, the essence of which was that "cadre decide everything."

The Anshan Charter, which was proclaimed in the heat of the Sino-Soviet split and after intense factory-level discussions, touched on the central themes of post-revolutionary society: What is socialism? What does it imply for the organization and management of the economy and polity? It advanced five basic principles: (a) politics must take precedence over economics—politics must be "in command"; (b) the organization of economic life is the responsibility of the party, not the technical cadre; (c) the intervention of the masses is essential in the definition of general and particular objectives; (d) the cadre must participate in productive labor; (e) workers must involve themselves in management tasks and in the effort to innovate technology. Also, by early 1956 Mao was already emphasizing that any advance along the socialist road was predicated on equal exchange between the countryside and the city; a narrow wage scale; a dynamic equilibrium between an ever-increasing consumption standard and a rigorously monitored accumulation schedule; an equilibrium between light and basic industry; and a reduction in regional inequalities.

The 1957–1966 Period. During these ten years, the Chinese were groping for a way out of the impasse to which their Soviet-inspired model had led them. The first initiative, the Hundred Flowers Movement in 1957, sought to expand the limits of democracy. But the anti-socialist critiques which cropped up were—no doubt, wrongly—held to be counter-revolutionary, and the entire experiment was therefore scrapped.

On the heels of this retreat, the Great Leap Forward was launched in 1958. Unquestionably, the stated objectives of this campaign—i.e., to double grain and steel production within a few years' time—were unrealistic. But it is also undeniable that although illusions of an economic romanticist kind were rife, there was a salutary side to this campaign. The appeal to mass initiative shook up the bureaucratically centralized system of planning. Even manifestly ill-advised undertakings incorporated redeeming features—for ex-

ample, equipping every commune with a steel-producing blast furnace was surely an error, but in the process, the Chinese did manage to introduce some basic elements of modern technology into the most backward regions.

That significant innovation in peasant organization, the commune, was also a product of the Great Leap Forward years. Rural production since then has been organized around three levels: (a) the production team, which corresponds to the natural village or a subdivision of it, and which takes responsibility for what are still the typical means of agricultural production in China (simple tools, draft animals); (b) the brigade, which avails the teams comprising it of more modern means of production (machine fleets); and (c) the commune, which manages the small industries (processing agricultural products, manufacturing some tools, engaging in small construction projects, etc.), provides basic services, and presides over the administrative network. The commune system thus integrates agricultural with complementary industrial production and administration. It is, in short, a quintessentially socialist institution. In particular, the rural productive apparatus can now be set in motion without excessive recourse to bureaucracy or centralization and, moreover, in coordinating agriculture and basic services, the commune makes concrete—albeit on a modest level—an industrialization strategy grounded in agricultural development. The commune is, in effect, the skeletal form of a worker-controlled and rural-based agroindustrial productive system. Will this experiment bear fruit or will the peasants be subordinated to bureaucratic control, as in the Soviet Union? This all depends on the extent to which the commune system enjoys the confidence of the popular masses.

At the inception of the commune movement, the modalities of its three-tier system of organization were the subject of numerous and contradictory decisions. On two occasions—when the communes were first organized and, again later—initiatives aimed at “commune”-izing all of Chinese society were taken. But what these hothouse measures actually bred was administrative and bureaucratic militarization: labor power, purportedly mobilized from below, was in fact coerced into action; paramilitary organizations, barracks, canteens, and so on sprung up everywhere. These methods quickly proved ineffectual; workers became discouraged, useless projects were undertaken, and productivity fell off in key sectors.

During the Cultural Revolution (as in Kampuchea when Pol Pot held sway), these errors were pushed to an extreme; they did nothing to consolidate the real power of the masses at the point of production. Not unexpectedly, partisans of this deviation were able to enlist the support of the youth who were detached from social life and production; but among the workers they were received with extreme circumspection. Moreover, this kind of anarchic decentralization, in which administrative management replaced the market, tended to enhance the power of local authorities at the expense of the center, thus nourishing China's feudalist tendencies.

The limits of the critique of revisionism advanced at the time explain this deviation: the role that centralized bureaucratic planning played in the consolidation of power by the state bourgeoisie hadn't yet been grasped. Even after decentralized self-management institutions had crystallized, no attempt was made to replace the system of centralized planning.

Precisely this contradiction explains the malaise that set in. A headlong attempt was then made to transform organizational responsibilities for agricultural production from the team to the commune, in essence, what Chen Boda suggested in his 1957 article. If pushed to its logical conclusion this proposal would no doubt have jeopardized the worker-peasant alliance, which in turn, paradoxically, would have accentuated the bureaucratic and centralized sides of China's planning system. But, in the event, this did not come to pass. Beginning in 1959 excesses in rural policy were corrected and the production team was reestablished as the basic unit of accounting.

The difficulties China encountered between 1960 and 1963 were no doubt partly attributable to the reckless policies of the Great Leap years. But more decisive still was the abrupt withdrawal of Soviet aid in 1960 and the consequent isolation into which China was thrown, obliging the leadership to confront both the Soviet Union (suspension of nuclear aid, support for India in the border conflict) and the United States (aggression by its Taiwan surrogate, bombardment of Quemoy). While equilibrium in the domestic economy was quickly restored following the introduction of the above-mentioned reforms in rural policy, the central planning structures remained intact.

This limit of the post-Great Leap rectification may explain why the implementation of the Anshan Charter proved so difficult:

workers' control and administrative planning are mutually incompatible. And to this we must add the passive—and perhaps active—opposition of numerous cadre to the spirit of the charter. Since no comprehensive alternative to centralized planning was forthcoming, the Socialist Education Movement, too, was more or less stillborn.

The May 1966–October 1976 Period. The Cultural Revolution and the policies which followed in its wake targeted that reactionary bloc of party members and cadre—the “General Headquarters”—which allegedly opposed radical change (i.e., decentralization and workers' power). In hindsight, it is clear that this offensive, while certainly justified in part, could not produce substantive results since it did not pose an alternative to centralized administrative planning. One of the glaring contradictions of this period was that appeals to mass initiative were repeatedly issued, but the masses, because they were inserted in a system which blocked their comprehension of reality, could not act effectively. Under these circumstances, the Cultural Revolution could not but degenerate into a series of confused struggles and, in the last analysis, into bureaucratic attempts to impose communism.

Once again, schemes were hastily improvised for transferring economic management from the team to the commune level. And once again, they were foiled in time; irreversible damage was not done.

These confused struggles, coupled with the shortcomings of the extant critique of revisionism and bureaucratic planning, enabled local power holders to usurp a certain amount of authority: new life was thus breathed into China's feudal traditions. Given the revolutionary intentions and “Stalinist” methods of this movement, perhaps it is not surprising that after his exposure Lin Biao sought haven in the USSR. All the errors and limitations of this period notwithstanding, however, there was no rupture of the worker-peasant alliance. The Chinese political leadership discouraged internal struggles during the 1970s. But they were as unshakable as ever in their commitment to bureaucratic centralized planning and in their opposition to the market (i.e., value, the commodity, and commodity-exchange relations). Such an orientation, however, precludes the progressive mastery of the economy by the popular masses.

3. In sum, throughout the entire 1949–1976 period, there have

been recurring clashes between the socialist tendency and tendencies that have endeavored to brake its progress. The socialist tendency is a reflection of the active sociopolitical role of (a) the Chinese worker masses, (b) the Communist Party which guides these masses, and (c) the state (albeit to a lesser extent). The countervailing tendencies originate in a wide variety of phenomena, among which we would emphasize four.

The necessity of the state. Throughout the long period of transition to a world without nations and the state system, the state will persist; and it cannot but possess a relative autonomy vis-à-vis the social classes of which it is in principle the instrument. Until that day, still far off in the future, when communist society is a practical reality, we may anticipate recurrent efforts to reimpose systems of domination and exploitation. In short, the class struggle, which cannot be reduced to the struggle against the vestiges of the prerevolutionary classes, will cease only after the advent of communism.

The extrinsic origins of the struggle against revisionism. It was not internal developments which imposed on the Chinese Communists an awareness of the class struggle in post-revolutionary society and, concomitantly, of the dangers of revisionism. Rather, it was events inside the USSR (e.g., the transformation of the Soviet state into an instrument of oppression and exploitation) and Soviet foreign policy (e.g., Soviet attempts to dominate China and win hegemony in the international arena) which effected this consciousness.

Only in recent years have the Chinese grasped the link between the bureaucratic, centralized system of planning in the USSR and the exploitative character of the Soviet state. So long as leftist and Stalinist confusions of the kind that typified Soviet thinking in the 1930s prevailed, the Chinese set as their first priority the centralization of planning and the abolition of market relations. However, such planning reduced the potential efficaciousness of the initiatives and political interventions of the popular masses, the very things that the CCP—paradoxically—encouraged.

The uneven development of popular consciousness. That the worker and peasant popular masses are “instinctively” communist or democratic or are “naturally” endowed with a consciousness of the most efficient way in which to organize a socialist economy is an idealist myth. Translating opposition to foreign imperialism and the indigenous feudal and compradore exploiting classes—the

objectives around which the Chinese workers and peasants were initially united—into a comprehensive communist consciousness is a complex undertaking, especially when not even a generation separates the Chinese people from their millennia-long feudal past. This transformation can occur only in the course of a step-by-step, protracted process, during which the masses progressively overcome the contradictions engendered by their practical attempts to master the economy and polity. Such consciousness cannot be obtained by education, which is by definition abstract. This explains why the initial impulse for each of the phases in this process came from above, and is likely to continue to do so for a long time to come. What we have just said applies not only to China but to all countries which embark on the long transition to communist society. The developed capitalist countries may no longer be weighed down by feudal traditions, but the ideologies and social practices which do animate them are just as formidable and regressive.

The national and international context in which the productive forces must develop. Because of unequal development on a world scale, the first breaches in the capitalist system occurred in backward countries. Developing the productive forces is an objective necessity in these countries: how else can they preserve national independence and satisfy popular consumption needs? But contrary to a pernicious and pertinacious illusion, recourse to capitalist and/or Soviet-style bureaucratic methods will not accelerate development; at best, it will deform it.

If the record for the 1949–1976 period is examined on this basis, we may justly conclude that it is, on balance, positive, for three reasons. First, all the twists and turns of Chinese politics notwithstanding, the worker-peasant alliance has survived intact. Even the severe trials of the Great Leap Forward and the Cultural Revolution did not irreparably damage it. The primary unit of labor accounting is still the production team and the state has not imposed on the peasantry a tribute that is either sustained or obligatory, substantial or brutal. In the industrial and service sectors, the wage scale is relatively egalitarian, the minimum wage is satisfactory, and the workers possess a certain degree of control over the labor process. Second, as a result of all this, the state has preserved its popular worker and peasant content. In this respect we concur with the judgment that “the majority of cadre are good.” At no point in China’s post-revolutionary history has the state degenerated into a

police dictatorship of the Soviet type. Undoubtedly, democratic practices have been curbed because of the fear that otherwise, feudal and bourgeois ideas would flourish. Likewise, on different occasions, disputes have been settled by recourse to brutal methods. But there has been no systemization or generalization of these abuses; the state's character has not been transformed. Finally, in the course of the last three decades, China has succeeded in preserving and consolidating its national autonomy. The comprehensive industrial system which it now possesses—and which it built without external assistance—is the pillar on which rests its considerable defense capacity and formidable international position. China can now import technology without totally compromising its socialist pedigree; and by assimilating these imports, the country will be able to lay the foundations for a higher development of the productive forces.

In the context of these achievements, the present leadership's vehement denunciations of past abuses, errors, and shortcomings, even if they are meant to be taken literally (and this is not certain), appear less serious than would otherwise be the case. We do not doubt that in setting certain of its goals, the CCP got carried away by a kind of economic romanticism. Nor do we question that in its practical application, the principle of self-reliance has been pushed to an irrational extreme. Two examples come to mind: (a) while provincial self-sufficiency is justified by military exigencies and the dangers of excessive centralization, it tends to encourage the feudal habits and ways of thinking which are still a potent force in Chinese politics; (b) it may be costly and wasteful for factories to fabricate their own means of production, but this process also facilitates the acquisition of technical skills.

More significant than the errors we have just mentioned are the shortcomings in the domains of management and democracy. Since 1949 there has been a real contradiction between appeals to mass initiative and a species of planning which precludes any meaningful popular intervention and control. Resolution of this contradiction requires, in the first place, that the prohibition on commodity exchange between production units be lifted. But recognition of this necessity will be forthcoming only if the essence of Soviet revisionism is firmly grasped and dogmatic formulations regarding value, the commodity, and commodity relations are abandoned.

Moreover, genuine democratic practices have been in short sup-

ply these past three decades. This we may attribute to (a) the legacy of the workers' movement, Leninism, and the Soviet experience, (b) a one-sidedly negative appraisal of bourgeois democracy, and (c) an erroneous conception of the state and the party. At certain points, the dangers inherent in foregoing democracy were great indeed. This was the case, for instance, on the eve of the Cultural Revolution, when the state and the party were evolving in a decidedly negative direction. The offensive which ensued may have been too generalized, but it nevertheless produced a healthy reaction; on the other hand, it left a political void, one which was quickly filled by a diversity of forces, some of which were perhaps even more pernicious than those they had replaced. To transcend the contradiction between the desire for and necessity of democracy, on the one hand, and the constraints imposed on it in practice, on the other, certain basic conceptions of, for example, Leninism, have be rethought.

III. A COMPARISON OF CHINESE, SOVIET, AND THIRD WORLD DEVELOPMENT

1. René Dumont once observed: "How beautiful China is, when viewed from Bangladesh." To this we may add: when viewed from Hong Kong, Seoul, São Paulo, or even Moscow. For, according to World Bank statistics (see Table 30), China's growth rates were among the most impressive in the world between 1950 and 1975. For the period 1960–1974, the World Bank gives the following percentages for annual per capita growth:

China	5.2
India	1.1
Pakistan	1.4
Bangladesh	–0.5
USSR	3.8
United States	2.9

2. The fundamental continuity of the Chinese developmental experience contrasts strikingly with what occurred in the Soviet Union. In the latter case, for example, it is proper to speak of a veritable turning point in the 1930s, when the New Economic

Table 30

Country	GNP per capita (1974 \$)		Per capita growth in GNP
	1950	1975	1950-1975
China	113	320	4.2
Third World countries (excluding China)	187	400	3.0
Africa	170	308	2.4
Latin America	495	944	2.6
India	95	139	1.5
Ivory Coast	283	460	2.0
South Korea	146	504	5.1
Hong Kong	470	1584	5.0
Iraq	384	1321	5.1
Brazil	373	927	3.7
Developed Countries	2378	5238	3.2
USA	3954	6495	2.0
Yugoslavia	429	1364	4.7

Program (NEP) was abruptly jettisoned and the collectivization of agriculture was forcibly imposed from above. After World War I and the civil war which followed on its heels, chaos reigned in the Soviet economy as production fell off precipitously.

The NEP, which was based around the worker-peasant alliance, rather quickly reversed this catastrophic situation: in 1927 production levels matched those of 1913, while the average real incomes of the workers and especially of the peasants (who were reaping the fruits of land reform) were appreciably higher. Attempts to redress the imbalance between urban and rural development—an inequity typical of capitalist development—were made. In effect, agriculture and heavy and light industry had, by the end of the 1920s, found their point of mutual equilibrium and growth rates were healthy and sustained.

It was not long, however, before serious problems began to crop up. The peasants were steadfastly committed to the small plots

which they had acquired during the October Revolution. The danger of capitalist differentiation in the countryside was thus very real; but so was the possibility that agricultural growth would fall off if the measures needed to curb this threat were enforced. The circle was thus complete: an amelioration of popular living standards and defense capacities was predicated on industrial growth; industrial growth, on the other hand, was contingent on an improvement in agricultural productivity; gains in agricultural productivity, however, would likely be accompanied by the accentuation of class divisions in the countryside. The only alternative was imposing a forced tribute on the peasantry to finance industrialization.

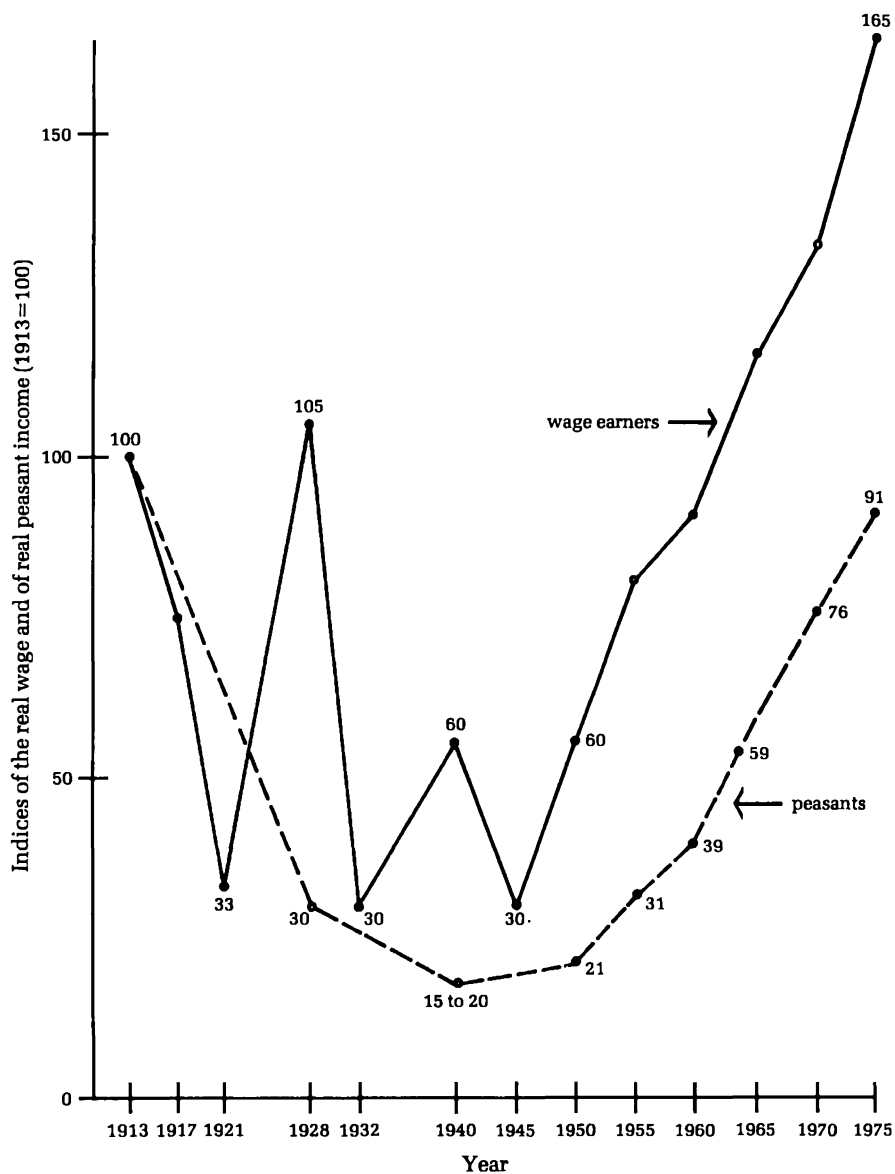
The Soviet leadership, after a debate whose stakes ultimately proved enormous, opted for the latter alternative. The productive system that was implicit in this approach—kolkhozes, the mandatory, virtually unremunerated delivery of foodstuffs; the subordination of the cooperatives to state-run machine-tractor stations (MTS), and so on—determined the style and rhythm of Soviet economic development for the next two decades (i.e., until Khrushchev introduced his reforms in the 1950s).

The characteristic features of Soviet economic development are by now well known: formidable extensive industrial growth during the 1930s, then during the 1950s after the completion of reconstruction; stagnation in agriculture; thus an overall growth rate that averaged 7 percent per annum; stagnation and even a deterioration in the people's living standards (only in 1960 did urban workers reach the 1927 levels of mass consumption; for the peasants, it took another decade still).

Jovan Pavlevski's study on Soviet living standards between 1917 and 1980 documents this evolution in comparative real incomes of the Soviet workers and peasants.⁹ Figure 3, which is taken from this study, illustrates the fundamental differences between this developmental model and the Chinese one.

In the 1960s the third period of Soviet development commenced. The MTS were dismantled and the kolkhozes were regrouped and given legal title over the machines and tractors; the prices of foodstuffs requisitioned by the state were revised upward; the real income of the workers and peasants climbed at a steadier pace. But actual growth was modest: according to the World Bank, the annual per capita growth rate of the Soviet national product was 3.8 percent between 1960 and 1974 (as against 5.2 percent for China,

Figure 3. Evolution of Real Incomes in the USSR,
1913–1975



according to the same source). The growth in workers' real income was even more measly: the ratio between per capita product and per capita real income was 1.36 for the period 1950–1955, 1.31 for 1955–1960, 1.43 for 1960–1965, 1.15 for 1965–1970, and 1.03 for 1970–1975. Until 1970, therefore, the little growth that did occur did not even fully translate into higher levels of popular consumption; rather, it reflected an increase in basic investment and in military expenditures.¹⁰ Whether effective use was made of the surplus in making these investments is open to debate. For the period 1950–1970, the rate of growth of fixed capital was 8.8 percent per annum, as against 7.6 percent for the GNP as a whole. Everywhere else in the world—including China—the ratio is the reverse. On the other hand, while the lot of the rural masses has undoubtedly improved, the gap between the income of the average worker and the average peasant has increased: in 1975, the ratio stood at 2.5 to 1, whereas in 1913 it was 2 to 1.

Since 1960 economic growth in China has been more impressive than in the Soviet Union. To be sure, because the Soviets opted for forced industrialization, they did register exceptional overall rates in the 1930s and 1950s (this, despite the catastrophic declines in agricultural production). Estimates range as high as 7 percent.¹¹

But because this growth was distorted from the outset, the snowballing effects which one would normally have expected did not occur; rather, the economy found itself in an impasse from which it still knows no way out. The incapacity of the Soviet economy to effect the transition from the extensive accumulation of the 1930s and 1950s to intensive accumulation has left the whole system in a state of permanent crisis. The countries of Eastern Europe have experienced the same difficulties. Only Yugoslavia—which, according to the World Bank, showed a 5.9 percent annual rate of growth between 1960 and 1974—is advancing at a pace comparable to that of China.

The historical record speaks even more in China's favor if the profound handicap of the overpopulated agrarian sector is taken into account. The proof to the contrary is Vietnam, where a bureaucratic agricultural policy in similar natural and historical conditions proved a failure. Let us also note that in contrast to China, the mediocre growth in India and the average growth in the USSR were accompanied by distortions and inequalities in the distribution of income.

3. The developmental strategies of China and India make for an instructive comparison. Looking first at agriculture, while the per capita availability of land has been consistently 70 percent higher in India than China (in India, the availability of land declined from .33 hectares per person to .23 hectares between 1950 and 1975; in China, the figures for the corresponding dates were .19 and .13), per capita grain production in India increased by only 21 percent in the twenty-five years since independence (from 144 to 185 kilos) whereas in China it increased by 31 percent (from 197 to 264 kilos) over the same period. In energy, per capita electrical production in China increased by a factor of sixteen between 1950 and 1975 (from 8.5 to 132.7 kilowatts), while in India it increased by a factor of eight during the same period (from 14.6 to 114.8 kilowatts); per capita coal production in China increased by a factor of six in twenty-five years (1950—81 kilowatts; 1975—478 kilowatts) whereas in India, it went up only by a factor of 1.6 (1950—91; 1975—149). Finally, in steel, per capita production in China increased some thirty-one times between 1950 and 1975 (from .7 kilos to 21.9 kilos) as against only three times in India (from 2.8 to 8.1 kilos). In 1950 China stood at a lower level of development than India; today the Chinese no longer even see the point in comparing themselves to India.

China's record even holds up when compared with the most spectacular of capitalism's success stories in the third world and the foundations of these experiments in peripheral capitalist development are not nearly as solid as China's. For the 1960–1974 period, the World Bank provides the following growth rates: Brazil, 6.9 percent; Mexico, 6.7 percent; Taiwan, 9.4 percent; Hong Kong, 8.8 percent; South Korea, 7.2 percent. None of these rates is significantly higher than the one recorded by China. On the other hand, China did not compromise its national independence or the material welfare of its working population in order to attain these rhythms of growth.

4. The juxtaposition of the Chinese and Soviet experiences highlights the superiority of the Maoist socialist strategy as against the revisionist statist strategy for developing the productive forces. Let us now briefly compare the Chinese with the North Korean, Vietnamese, and Cuban experiences.

The balance sheet of economic growth in North Korea¹ places this country, along with China, squarely in the front ranks not only of

the socialist world, but also of the underdeveloped world and the world as a whole. Ellen Brun and Jacques Hersh document the politics of this remarkable achievement.¹² Certainly, this little-known country was able to exploit a number of historical and political advantages. But these advantages must be clearly distinguished from the legacy of Japanese colonialism. Japan had reduced Korea to a supplier of agricultural products for the metropole; Japanese colonists expropriated some of the best stretches of land and organized them into plantations; the hitherto self-sufficient peasantry was driven into the mountainside where it established a primitive agricultural economy. Only in these extreme circumstances was Korea able to export almost half of its rice production between 1930 and 1935; average per capita rice production dropped from an index of 100 in 1915 to 56 in 1930–1935. Korea's industrial infrastructure was as underdeveloped as French Indochina's was when World War II ended.

Korea, like Vietnam, did possess certain political advantages. It is a small, homogenous nation with a long historical tradition (*Hangul* phonetic writing, e.g., dates all the way back to the fifteenth century). Between 1860 and 1870, an anti-Confucian reform movement was launched, but it collapsed in the face of a peasant uprising in 1894 that bore a striking resemblance to the Taiping Rebellion in China. This series of events paved the way for Japan's intervention. In Korea, as in Vietnam, it was the twin and indivisible goals of national liberation and peasant revolution that inspired the communists to join together to form a party; in both cases, the party's ability to articulate these two struggles was the basis of its ultimate success. The Korean Workers' Party (KWP), for example, was thus able to organize a guerrilla war in 1937—just twelve years after its founding in 1925—and to establish a genuine popular revolutionary regime in 1945 before the Soviet and U.S. armies entered the peninsula. A revolt in 1946 at Taegu was crushed by the Americans, who henceforth occupied the southern zone (in Vietnam, at this time, the French were similarly engaged in counter-revolutionary activities). Unlike the situation in Eastern Europe, therefore, socialism in Korea was not implanted from without by the Red Army.

Korea endured an unprecedented level of devastation during the Korean war (1950–1953) so that it was in an even more destitute state than North Vietnam in 1954. All this notwithstanding, North

Table 31. Industrial Production in North Korea

	1944	1976
Electricity (millions of kilowatts)	8.1	28
Coal (millions of tons)	5.7	50
Steel (millions of tons)	.16	3.9
Fertilizer (millions of tons)	.5	2.9
Cement (millions of tons)	.9	7.7

Korea has managed to sustain remarkable rhythms of growth. Agricultural production, which had already multiplied 1.4 times between 1944 and 1949, once again experienced steady growth after the war; by 1958, annual rice production was up to 3.8 million tons, thus making North Korea self-sufficient in foodstuffs at an entirely satisfactory level of popular consumption (the minimum per capita ration was 200 kilos). Industrial growth has been equally impressive: production in light industry increased by a multiple of 3.4 between 1944 and 1949, and by one of 3.3 between 1949 and 1958; output in heavy industry increased by a multiple of 4.1 during the same period. Since 1958 there has been a 10 to 14 percent annual rate of growth in the industrial sector. As is evident from the statistics cited in Table 31, the results have been nothing short of spectacular.

North Korea was, at the outset, decisively handicapped in the agricultural sector. Fully 80 percent of its territory was mountainous and, before the country was divided, the north produced only 25 percent of total national annual rice yields. Each step in its agrarian reform, however, produced positive results: in 1945 rent was reduced to 30 percent of the product; in 1946 there was an egalitarian land reform in which each family received title to about five *chongbo*—approximately equal to five hectares—of land (until then, 4 percent of the landowners owned 60 percent of the land and 60 percent of the poor peasants only 5.6 percent of the land); between 1953 and 1958 land was collectivized, after which the newly formed cooperatives were regrouped into units encompassing an average of 272 families. Agricultural output increased during each phase in this strategy, and technological innovations were gradually introduced. The area under irrigation increased from 387,000 *chongbo* in 1946 to 509,000 in 1960 and 700,000 in 1970.

The secret of this resounding success is not difficult to discern: at no point was an unremunerated tribute imposed on the peasantry. On the contrary, it would seem that the industrial sector subsidized agricultural growth. Hence the exceptional arrangement in which the cooperatives paid a 25 percent tax in kind, but all marketed surpluses (i.e., production above the 200 kilo per capita ration) were sold to the state at 60 won per kilogram and resold in the cities for .08 won. The subsidy for the rural sector which this price differential represented was more significant than the tax. To increase agricultural output, recourse was made exclusively to collective incentives; concessions to "peasant individualism" proved unnecessary. Private plots are modest in size (30 to 50 meters), especially as compared to the situation that prevails in the USSR (4 percent of the land, supplying 20 percent of the annual product) or even those in China and Vietnam. Cooperative members were never coerced into employing the machines and tractors made available to them (unlike the case of the MTS in the Soviet Union); the supply of these advanced pieces of technology was tailored to the rural demand. Moreover, the Korean Workers' Party, in a more or less open, precocious critique of the Soviet model, explicitly repudiated the idea of a forced tribute on agriculture.

The rapid reduction in the agricultural population (from 74 percent in 1946 to 30 percent in 1970) and accelerated industrial development (which did not violate the principle of equal exchange between the countryside and the city) followed in the wake of this remarkable transformation of rural production relations. In industry, the Dae'an system (named after the electrical goods factory where this system was first tried out in 1961) was promoted; as in the Anshan Charter, this system called for an elected management committee to replace the single director.

The bottom line is that in Korea, more so even than in China, the "great differences" between the city and the countryside and between workers and peasants have been reduced considerably. The range of the wage scale may still be one to four, but the monthly family income of the overwhelming majority of peasants, workers, and salaried employees is about 150 won (two family members, on average, are gainfully employed in North Korea). In the cooperatives, furthermore, work points are not fixed by the state (as they are in the USSR and Vietnam) but by the cooperative members themselves (as is generally the case in China).

North Korea's developmental strategy thus in significant respects resembles the one pursued by the Chinese. Even the phases of the two strategies and the organizational units that evolved bear much in common: compare for example, the Chollima movement with the Great Leap Forward or the Korean *ri*—the rural territorial unit on which economic management and administration devolve—with the Chinese commune. The North Koreans, however, did not “copy” the Chinese strategy; their experiment is quintessentially a product of local initiatives, one which certainly assimilated the lessons of the Chinese Revolution but which doubtless inspired certain aspects of it as well.

There are, on the other hand, several distinct features of the North Korean approach. Industrial planning is more decentralized in North Korea than in China; county and regional committees enjoy more decision-making power, notwithstanding the fact that the whole of North Korea is smaller than an individual Chinese province. The two principles of “politics in command” and the “mass line” bear more directly on each other in Korea: the Korean Workers' Party, to which some 12 percent of the total population belongs, is less elitist than the CCP.

Juche, or self-reliance, is the guiding principle of the North Korean model of development. The significance of this principle, which at first glance may appear rather banal, becomes self-evident when it is situated in the historical context in which it originated; the Yi imperial court of Korea had sought to compensate for its internal weaknesses by forming external alliances with China, Russia, and Japan, and thus advocated the *Sadae* principle of “relying on the great powers.” *Juche* was viewed as a way to help restore the self-confidence of the Korean people and prepare them for the struggles to come. In 1956 a conflict arose during the Third Congress of the Korean Workers' Party. The “fraternal” Soviet delegates openly criticized the *Juche* principle and counseled the Koreans to inscribe themselves within the “international socialist division of labor.” The KWP refused, and its leader, Kim Il Sung, did not hesitate to denounce the real intent of the Soviet proposal—namely “to prevent Korea from acquiring economic independence.” The Korean example underscores the pertinence of autocentric development to small and medium-sized countries as well (that Korean development is not autarchic is evident from the oil imports—at the moment, from China—to which it must resort).

The North Korean model is not without its flaws, far from it. Observers are struck by how bureaucratic North Korean society is (to be sure, this bureaucracy is relatively efficient and far more benign than, say, its Vietnamese counterpart). The dangers of the personality cult are no less real in North Korea than elsewhere. Still, it is important to remember that the propagation of this cult was a response to the material and ideological threats posed, respectively, by the Soviet Union and China (especially during the Cultural Revolution, there loomed the danger that the Koreans would uncritically embrace the Chinese model). But it is especially the political shortcomings of the Korean experience that demand our attention: North Korea is no nearer to realizing an advanced socialist democracy than was Maoist China.

In any case, economic developments in the northern half of Korea compare very favorably with the record that the South has amassed. The abundant World Bank literature which sings the praises of that multinationals' paradise in the south is curiously silent on the pitfalls of this growth model.

In the first place, South Korea, quite unlike the North, is extremely beholden to foreign technology and capital. And there is no evidence that this dependence is diminishing over time; on the contrary, there can be no autonomous national accumulation so long as economic policies which facilitate the transfer of the indigenous surplus to multinational corporations are not decisively challenged. As the Korean economist Kang Young Ji has pointed out, it is the multinational corporation, not the South Korean economy, that profits from organized inflation, heavy taxation, and a stringent credit policy for national enterprises. True, certain Korean firms have sought to compensate for this surplus drain by joining with the monopolies in their search for superprofits in, for example, the Middle East, but Koreans remain very much a junior partner in this arrangement.

In sum, this mode of development generates increasing social inequality. Enthusiasts of the "South Korean model" (e.g., the authors of the World Bank report "Growth with Redistribution") ground their argument in a comparison of the South Korean income structure with those of the other Asian countries, but they ignore the tendential inequality of the South Korean development model. Thus despite the agrarian reform after the war, which was implemented to appease the peasantry—then on the verge of open

revolt—there is a growing concentration of property and wealth in the rural sector. Already 36 percent of the peasantry is, once again, eking out a living by tenant farming. When the stagnation in real wages (at least until the recent workers' revolt) and the deterioration in real income of the rural masses is juxtaposed against the formidable rhythms of national growth, one can only conclude that in South Korea, as in all countries witnessing peripheral capitalist development, deepening external dependence and growing social inequality go hand in hand. By way of contrast, in North Korea growth rhythms correlate with increments in peasant and urban worker incomes.

The South Korean people's opposition to the human toll of this developmental model explains the ruthless and fragile character of the successive dictatorships in South Korea—first, that puppet imposed by MacArthur, Syngman Rhee, and then beginning in the 1960s, when the Japanese monopolies reappeared on the scene, Park Hun Yung and Chun Doo Hwan. That the autonomous and democratic capitalist development to which the South Koreans momentarily aspired after Park's assassination in 1979 proved a dead letter confirms that there is no third way between socialism and peripheral capitalism.

As compared to the brilliant economic successes of North Korea, the accomplishments of Vietnam and Cuba are meager indeed. Critical and lucid analyses of Vietnamese society have, perhaps, been hampered by the memory of the Vietnamese people's glorious, thirty-year-long struggle for independence, national unity, and socialism. However, observers generally admitted that the post-independence North Vietnamese regime resembled the police state over which Matyas Rakosi presided in Hungary in the early 1950s. Certainly, no one can deny the reality of the economic disaster in Vietnam: food rations amount to some 60 kilos per person (as against 180 in China and 200 in Korea); and only the well-healed, including better placed cadre, drug and currency traffickers, criminals, and so on were in a position to supplement this starvation diet with the goods available on the free market.

However, the Vietnamese were able to exploit political advantages similar to those from which the North Koreans benefited—a homogeneous nation, the manifest sterility of the reformist bourgeois nationalist alternative, and so on. The communists skillfully

filled the extant political vacuum by joining the struggles for national liberation and peasant revolution.

In effect, the strategic formula for defeating imperialist aggression proved once again to be the organization of the popular masses on the basis of the worker-peasant alliance around communist leadership. As in North Korea, the USSR and China played only a supportive role in the struggle in Vietnam.

Following its victory in 1954, liberated North Vietnam opted for a developmental strategy in many ways analogous to the Chinese and Korean approaches at that time. The agrarian reform initiated and completed between 1954 and 1959 was a resounding political success; notwithstanding the wartime destruction and unfavorable natural conditions (agrarian density was much greater in the North than the South), foodstuffs production increased significantly. (It is worth noting parenthetically that the wartime destruction of Vietnam and the unfavorable natural conditions in which it found itself were no worse than in North Korea).

Why, then, was the collectivization movement in the 1960s not able to build on this initial success? Because it faithfully reproduced the Soviet model and imposed an administrative tribute on the peasantry. A system of forced requisitions was instituted in which cooperative members were paid the artificially low price of .3 dong per kilo for the 15 to 25 percent of paddy production that they were obliged to deliver up to the state (rice sold in the cities for .95 dong per kilo). This policy contrasts sharply with the one then being implemented by the Chinese and Koreans. Since that time, Vietnamese agriculture has stagnated. At one point, the army was called in to put down a peasant revolt. The authorities have oscillated, capitalist fashion, between phases of repression and phases of liberalization and they rely on the private plots and free market to compensate for the disastrous showing in the collectivized sector. This is precisely the impasse in which the Soviet Union has been caught for a half century.

Because the deleterious tendencies of the North Vietnamese political system were not curbed—on the contrary, they became more and more pronounced over time—the leadership was ill-prepared to tackle the complex problem posed by the incorporation of the South; the deformities in South Vietnamese society after twenty years of U.S. neocolonial rule were considerably more

profound than what the French left behind after North Vietnam won its independence in 1954.

The deteriorating internal situation determined Vietnam's posture on the international scene. Unlike North Korea, which had opted for autonomous national development, Vietnam inserted itself inside the Soviet-dominated COMECON international division of labor. The effect of this decision was to block any real industrial development; the already stagnant Vietnamese economy fell further into decline. The Hanoi regime then made a desperate bid to export its internal contradictions (especially those that had arisen out of its mistaken agrarian policies): in 1978 Vietnam lunged outward and sought to colonize Laos and Kampuchea. The essence of the Indo-Chinese Federation—now held together by military occupation—is an unequal division of labor, in which the rice tribute imposed on the subordinate members serves to subsidize the accelerated (“heavy”) industrialization of Vietnam.

The evolution of the Cuban economy confirms the impossibility of any real development of the productive forces within the framework of the Soviet-dominated international division of labor. No doubt, political conditions in Cuba were less favorable on the morrow of the revolution than elsewhere. Castro's revolution had triumphed almost by chance, facilitated by the evident hostility of the United States. The guerrilla war of liberation directed against Batista's puppet regime was not situated in a comprehensive social strategy. On the eve of Castro's victory, Cuba's rural producers worked on sugar latifundia; they were no longer peasants and thus did not demand ownership of the land they tilled. Like Cuba's urban proletarians—who, it is worth recalling, the Cuban Communist Party failed to mobilize for the struggle—these workers did not have their sights set on radically transforming the economy and society but simply on higher wages and more job security. This meant that on the one hand, the leadership was not a priori bound to any particular socioeconomic orientations but that on the other, whatever orientation it ultimately opted for would likely receive a lukewarm reception from the masses, who were generally apathetic. The struggle between lines was thus fought out almost exclusively within the narrow circle of the ruling elites and was strongly influenced by the international conjuncture. The first of the two lines in the debate that shaped up proposed the diversification of agriculture (to ensure self-sufficiency in foodstuffs) and light in-

dustry, disengagement from the international division of labor, and selective commercial relations, that is, not restricted to any one bloc. In the process of implementing this line—the preparation for which was in any case inadequate—between 1959 and 1962, a multiplicity of internal and external contradictions surfaced which the leadership could not resolve all at once. But this was an altogether provisional failure: had the Cuban leadership persevered in this general orientation, the contradictions could have been smoothed out. Instead, they abandoned an autocentric strategy and embarked on precisely the opposite course: specialization in sugar production within the framework of the Soviet bloc. The U.S. aggression during the Bay of Pigs invasion in 1961 no doubt contributed to this reversal of line.

The consequences of this decision are well known. According to even sympathetic observers, such as Arthur MacEwan, production in the agricultural sector declined throughout the 1960s.¹³ The index of per capita agricultural production (base 100 for 1952–1956) oscillated between a minimum of 72 (1963–1966) and a maximum of 107 (1970); production of grain and tubers (tubers accounted for 20 percent of the total) fell from 598,000 tons in 1962 to 364,000 in 1970; industrial growth amounted to 2 percent per annum. There was a modest recovery between 1970 and 1974, but the 1974 harvest of foodstuffs did not top 405,000 tons, and the stagnation in this sector was not fully compensated by either the accelerated growth in industry or by the improved sugar harvests (in 1978 the harvest totaled some 7.3 million tons which was better than the 5.4 million ton average of the 1960s but still short of the 1952 record). The redeeming social features of the Cuban and Vietnamese revolutions (a rather egalitarian distribution of income, health care, education, job security) cannot totally offset the fact that their performance in the field of production has been mediocre.

Mention should also be made of Albania. The balanced and formidable growth rates which this small country has recorded—7 percent per annum, according to the World Bank—compare favorably with those of China and Korea (by contrast, Cuba and Vietnam averaged 1 percent and 2 percent, respectively). The cornerstones of the Albanian model are the same as those of the Chinese and Korean models: a strategic worker-peasant alliance based on equal exchange between the countryside and the city, a narrow wage scale, and opposition to incorporation into the international division of labor.

The Albanian example confirms that the autocentric strategy is not limited only to countries of China's formidable dimensions.

How, then, can we explain the erratic developments in Democratic Kampuchea between 1975 and 1978? In fact, these developments derive from factors unrelated to the communist party's autocentric strategy. At the time, the Kampucheans had no real choice in the matter. When Lon Nol and the Americans foresook Cambodia in February 1975, it was already famine-stricken. Phnom Penh, to which some 2.5 million refugees (one-third of the total population) had fled from the American bombing, needed to be quickly evacuated. This desperate situation was aggravated still further by the Vietnamese, who were plotting to subordinate Kampuchea just as they had Laos. National unity was therefore urged above all else. But in attempting to lay the foundations of an advanced socialist society, by recourse to brutal and coercive measures, the Kampuchean leaders dealt a death blow to those strategic alliances which alone could have sustained this national unity. The Vietnamese capitalized on the ensuing social disintegration; and when their efforts to foment a revolt from within failed, they decided on an invasion pure and simple.

Each of the countries surveyed above was backward and basically rural at the outset; none had passed through a bourgeois or peasant revolution or a technical revolution in agriculture. At its core the problematic of development is one of rapid agricultural growth. In technical terms, it refers to the specific relations which agriculture (the basis of development) enters into with industry (the preeminent supplier of means to develop agriculture). Its political expression is the rural-urban alliance and a state articulated on this alliance. Whenever these political and technical conditions have obtained, there has been real, socially progressive, economic growth. Whenever, on the contrary, recourse was made to a tribute on the peasantry or insertion into the international division of labor—Soviet or capitalist, it made no difference—to accelerate development, the results were derisory. The overall balance sheet of countries which opted for inscription in the capitalist division of labor is mediocre; and, in the few countries where impressive rhythms of growth were recorded (to be sure, not more impressive than what the socialist countries can lay claim to), the political picture is bleak indeed. As for countries which have elected to insert themselves within the Soviet bloc's division of

labor, their decision has proven to be a disaster both politically and economically.

IV. PROBLEMS IN THE POST-MAO PERIOD AND THE NEW COURSE

1. Two obstacles have repeatedly impeded the socialist development of China since 1950: (a) the contradiction between the system of administrative management and planning, on the one hand, and the desire to truly empower the popular masses at all levels of society, on the other, and (b) the not fully democratic practices.

After Mao Zedong's death in 1979, political leadership fell into the hands of Hua Guofeng. Deng Xiaoping's return signaled that the country had embarked on a new course. A marked shift in emphasis was evident in the official discourse: modernization was now heralded as China's number one priority. Manifestly pragmatic arguments—for example, "What difference does it make if a cat is black or white so long as it catches mice?"—were adduced to justify this new orientation. Economic decentralization, the autonomous management of enterprises and opening up to the West (in particular, so that technology could be massively imported) were now urged. At the same time, veiled and explicit attacks were launched against Maoism, but no precise balance sheet of the 1950–1976 period was forthcoming. The Cultural Revolution and the political line of the "four" were denounced, but the subsequent trial of Mao's associates scarcely illuminated the issues at stake: the line that the four had defended, for example, was mindlessly assimilated to the Lin Biao current. The theme of democracy occasioned sharp debates; there were moments of liberalization, then brutal crackdowns. Is China irreversibly on the revisionist path? Or is the new phase still within the Maoist trajectory? Perhaps beyond all the verbal pyrotechnics and certain egregious practices, what we are presently witnessing in China is a more thoroughgoing examination of the nature and dangers of revisionism.

2. The New Course inaugurated in early 1978 is distinguished by a new approach to economic management and organization. The autonomy of individual production units has been enhanced so

that in negotiating purchases (including of means of production) and sales they make unrestricted use of commodity categories. To ensure that the worker collective effectively appropriates its production unit, an elected enterprise assembly and executive council (in principle, there are no eligibility requirements and the ballot is secret) decide whether or not to purchase a particular piece of equipment and how to organize the internal production process (division of labor, rhythm and intensity of work, etc.); ultimately, the enterprise director, too, will be elected. Because economic calculation now occurs at the enterprise level, production units retain part of the profits they earn and incorporate them into an accumulation and modernization fund—this, in addition to the fund for collective services (canteens, day-care centers, schools, dispensaries, lodging, etc.)—and one from which individual bonuses are later deducted.

The reform thus conceived poses a number of problems. First, it is based on the generalization of market relations, which means that there will no longer be administrative planning of the national economy. Is this a step forward or backward? Opponents of the New Course qualify the return to value as “economism.” Yet in at least two respects, the debate itself is more significant than the actual positions defended. On the one hand, it reveals that the Cultural Revolution, by posing the problem of value and firmly fixing attention on the objective of communism, performed an important ideological service. In particular, the vanguard of the communist movement found a way out of the impasse in which Bolshevism had been caught (witness Lenin’s appreciation of Taylorism). On the other hand, it confirms that the vanguard both inside and outside China still does not grasp the intimate connection between administrative planning of the Soviet type and the oppressive character of the state. The principle of planning—which shields society from the imperatives of the market—is still confused with the specific forms it has historically assumed in the Soviet Union. Only if the debate focuses on the *system of social relations* on which planning is articulated will it be possible to effectively refute bourgeois critiques, according to which socialism and planning carry within themselves the seeds of despotism.

Second, the clearly expressed aim of the reform is to “take property and power out of the hands of the state and cadre and put them into the hands of the worker collectives.” Khrushchev’s ob-

jective, in contrast, was to enhance the prerogatives of the enterprise director at the expense of the central bureaucracy and the workers. In principle at least, the Chinese are modeling their reform on the lines of the Yugoslav self-management experiment. This is probably why the CCP, which at one time equated the Yugoslavs with the Soviet revisionists, is now careful to distinguish between the two.

Is workers' self-management the future of China? The obstacles are manifold. Will the workers rise to the occasion, or will they remain passive? Will cadre hostile to such a reform turn to coercive methods—of a moral and perhaps administrative kind—to sabotage it? Can modern means of production be accommodated to the exigencies of a labor process which, to quote a sentiment often heard in China, “does not sacrifice the producer to production”?

Sound reasons exist for believing that the Chinese will not in fact sacrifice the producer to production. For instance, there is a consensus that of the three ways in which productivity can be increased—introducing more effective means of production, rationalizing the labor process, and/or intensifying work rhythms—only the first two are acceptable. Work rhythms and cadences in China today on the whole are adjusted to individual capacities: there would appear to be no piece wages, Taylorism, efficiency experts, bosses, supervisors, or prison-like atmospheres in Chinese factories.¹⁴ There are bonuses, to be sure, but this is not something new in China. Moreover, they amount to only 15 percent of wages and are generally distributed collectively to work teams. Thus they are more in the way of wage supplements than incentives to increase individual productivity.

Taylorism, a system in which piece wages and bonuses are adjusted to individual productivities, was not introduced simply to develop the productive forces in the abstract; rather the intention was to subordinate workers to the imperatives of capital, to undermine their moral and political resistance to it and divide their ranks in the struggle against it. This system, which originated in the West, has been integrally reproduced in Eastern Europe and has yielded the same results. Despite the fact that there is no significant evidence that China has already opted for this course of action, there are certain disquieting tendencies which can pose such a danger in the long run if they are not curbed: for example, priority is being given almost exclusively to a rapid increase in production

and foreign technology is being imported at a faster rhythm than it can be assimilated.

A third problem of the reform is that even in the best of circumstances, once commodity categories have been generalized, articulating the plan with the market is an extremely complex undertaking. In effect, to coordinate the national economy and, *a fortiori*, to secure the realization of socialist political principles (countryside-city equality, a narrow wage scale based around skill, etc.), comprehensive planning is needed. The problems entailed by the articulation of this plan on the market are basically four in number.

A unified, comprehensive wage and price policy. This is a fundamental principle and appears to be fully respected in China. Wages and prices (in particular, the prices at which agricultural products are purchased) are fixed in accordance with the objective of achieving proximate equality between the incomes of peasants, workers, and salaried employees. The wage scale is narrow and grades correspond to different levels of skill. In capitalist and revisionist countries alike, the chasm that separates the incomes of the highest and lowest paid workers is justified on the grounds that skilled labor is scarce. What this rationale conceals is the tribute that manual workers are forced to pay to the new middle classes; and this defalcation, in turn, forms the material basis of the alliance between these middle classes and the dominant exploiting classes in both the West and East. We should not forget that this gap also exists in Yugoslavia, admittedly on a smaller scale. The privileges to which middle-level Yugoslav cadre have access have adversely affected not only economic development but the political climate as well; they perhaps explain the political passivity of the masses and why workers do not exploit the management prerogatives to which they have formal title. This flaw in the Yugoslav system is a by-product of its extensive connections with the West. As compared to what their counterparts in the developed capitalist world enjoy, Yugoslav cadre invariably find their lifestyles severely wanting and consequently exert enormous pressure on the state to rectify this "inequity." Now, because average productivity in Yugoslavia is inferior to average productivities in the West, Yugoslav workers would have to reconcile themselves to a lower standard of living in the best of circumstances; but to sustain the Western lifestyles of the cadre, the state is compelled to lower the consumption level of the basic producers still another notch. Hence

the emigration of the unskilled workers, the demoralization and disgust of the youth, and the lack of devotion to a socialist ethic.

The redistribution of profits within each branch of the economy. In each branch of the economy, modern and semi-artisanal production units coexist—and this will be true for a long time to come. Because wages and prices are unified, the modern enterprises often make superprofits and the backward units just as often end up the year in the red. This has manifestly nothing to do with the quantity of labor or the commitment of the workers. Should the logic of unregulated competition be allowed to work itself out, the backward enterprises would soon enough go bankrupt. The Chinese recoil at this prospect, since, given the anticipated rhythm of modernization, the massive unemployment which would ensue could not be absorbed and the country would thus be deprived of necessary means of consumption. Thence the slogan: "Push forward the vanguard and pull up the rear." In each production branch and region, the modernization of the more backward elements is financed out of an equalization fund to which the vanguard contributes.

The reduction of regional differences. If restrictions are not placed on the profit motive, regional imbalances will also be exacerbated in the short run. The Yugoslav experience illustrates the dangers in this regard: unequal regional growth has undermined national unity.

A balanced approach to technology imports. When the profit criterion is excessively heeded, foreign technologies tend to be imported in larger quantities than would otherwise be the case and there invariably follows a gradual reintegration into the international division of labor. Here again Yugoslavia is an instructive case. Perhaps in this instance massive imports and reintegration could not have been avoided—although Albania's quasi-autarchy seems to confirm that an alternative did exist. In any case, should technology be imported at a rhythm which surpasses the capacity of the workers to absorb and modify (i.e., socialize) it, these imports will impose their own logic on the productive process. Furthermore, the counterpoint to more imports is always more exports; and given that the contemporary world system is articulated on an unequal international division of labor, these exports inevitably will be subordinated to the logic of "comparative advantages," namely, the advantage of low wages. Chinese enterprises in effect will be treated in the same manner as subcontracted firms in the rest of the underdeveloped world are treated by the monopolies. That

the Chinese workers own their own factories is, in this context, of no account; monopoly capital can still exploit them.

Therefore, however necessary these imports may be at present, they must be kept to the indispensable minimum. Imports may indeed act as a sharp stimulus to growth—witness South Korea, Hong Kong, Singapore, or Brazil—but when not carefully monitored, they will just as surely compromise the socialist project and national independence. If individual enterprises are given the prerogative of signing contracts with foreign companies, it will not be long before these enterprises, in exchange for extra profits, will be playing the part of subcontractors in the world system. In fact, because Chinese workers own their factories, they may actually take pride in the competitiveness of their products on the world market. The state therefore must maintain its monopoly on foreign trade. The Chinese regime seems intent on doing just that, although there is the danger that it will succumb to the pressures emanating from the enterprises which stand to gain from this trade.

The expectations of the middle classes have also been aroused by the opening to the West; higher levels of consumption now appear within their grasp. But China's economy cannot even sustain modest levels—by Western standards—of consumption for a significant minority. Fifty percent or more of China's industrial capacity would have to be tapped in order to make simple equipment available to only 10–15 percent of the population. The experience of anti-popular dependent industrialization in the underdeveloped capitalist countries suggests that there is no third way, a choice has to be made: priority is accorded, for example, either to the production of automobiles for private use (as in Brazil) or to mass transport and the production of trucks to replace that back-breaking and ineffective hand transport which is still so widespread in China.

There are also the ideological effects of fostering more intimate relations with the West. Will the youth become demoralized? The Chinese people are now, for the first time, in a position to fully appreciate the enormous distance that separates them from the West. Will they begin to doubt themselves? Will the seemingly unlimited reserves of self-confidence from which they have hitherto drawn dry up? In our view, what “demoralization” there is today derives from other factors; in particular, the twists and turns in the political drama these past thirty years have not been adequately explained. To politicize the masses in a thoroughgoing way, there

must be real democracy and workers' popular power at the enterprise level. This is especially true for the youth, for the new generation which has no real experience of revolutionary struggle or memories of feudal and semicolonial China: improvised outbursts of activism and dogmatic thinking will not suffice.

The problem of politicizing the new generation is of fundamental importance and therefore merits close scrutiny. But there is no point in harping on what are, in effect, peripheral considerations. The heterodox artistic tastes, clothing preferences, social mores, and so on now pervasive among the youth owe less to the sinister influence of the West than to the mighty social revolution which, in just thirty years, has transformed the Chinese landscape and, in the process, pulverized the Confucian value system.

In the period ahead, the major contradiction will be between the necessity of developing the productive forces on the one hand, and the negative effects of having recourse to material stimulants and competition to realize this objective on the other. The numerous possible outcomes of the New Course can, in the last analysis, be reduced to two.

First scenario: national economic planning is reduced to a minimum and maximum scope is given to material incentives. There is a revision of the wage scale in which the material privileges of the skilled workers (technicians and qualified laborers) are enhanced at the expense of the manual laborers and petty bureaucrats. Enterprises retain a percentage of their profits, thereby enabling the most advanced sectors to finance themselves and to distribute among themselves—perhaps in a collective form—the excess profits. The commune system slowly disintegrates and the modernization of select agricultural zones (notably, the regions surrounding the cities) is accorded first priority, while the poorer regions linger in a state of mediocre subsistence as needed investments are denied them. There is a proliferation of technologically advanced free-enterprise zones and mixed-stock companies (maybe even companies that are entirely owned by the monopolies) in which wages are not fixed according to the national scale. Should this orientation ultimately prevail, the Chinese model will be emptied of its socialist content: the exacerbation of inequalities (regional and otherwise) will demoralize the workers and distort the productive apparatus. The material stimulants may, at first, produce good results but soon enough they will prove an impediment to ac-

celerated growth, especially in the backward zones which play so vital a role in the Chinese economy.

Second scenario: the recourse to additional stimulants is reduced to a minimum while the profits of the advanced sectors are fully retained by the state and invested in the priority development of the more backward sectors and regions. The extant narrow wage scale is left intact. Only a limited number of cooperative ventures with foreign capital are tolerated. It is difficult to imagine how, given these constraints, the reform can generate "rapid and substantial acceleration in economic growth and modernization."

The ideal would be to chart a path equidistant from the two extremes. Undoubtedly, such a moderate and pragmatic scenario will disappoint dogmatic adherents of both extremes. But the effective resolution of certain real objective contradictions is possible only if a pragmatic approach is adopted—and in any case, pragmatism is scarcely alien to the Chinese Communist experience.

3. The democratization of political and social life is, in our view, an even more pressing concern than the organization of the economy. For in the last analysis, politics determines the real content of the economic system and the social relations of production. To judge by the propositions being advanced in what is still an early stage of the debate on this theme, it would appear that the discussion now opening up will go well beyond the ones which have preceded it in China. The apparent range of this debate contrasts even more vividly with the content of the discussions which are orchestrated from time to time by the authorities in the revisionist countries. There, only vague and abstract discourses or ones which are limited to what is conventionally called "violations of socialist legality" are permissible; the dogmas regarding the state, party, and trade unions are not open to question. Hence, those working-class movements which arise out of fundamental social contradictions cannot but shake the very foundations of the revisionist system (as in Poland).

Of all the theses thus far advanced in the debate now unfolding in China, the most coherent and comprehensive suggests the following points. Democracy, which is a historical product of the bourgeois revolutions in the West, represents a decisively progressive step in the evolution of human society. Since socialism marks an advance beyond the social system that preceded it, this acquisition must not be effaced but rather enriched through the transfer of

property in the means of production to the working class. So-called Soviet democracy, in which only the right to work and education are taken into account, is, from this perspective, a non-democracy; put another way, the absence of even bourgeois democracy signals that the Soviet state is oppressive and exploitative. This thesis is, in fact, simply a restatement of Marx's own views on the subject. It follows that the abolition of excessively centralized forms of political power must be the priority objective. Democracy will flourish only if precise legislation is elaborated and if institutional counterweights modeled after the kinds of state organization which emerged out of the bourgeois revolutions are established. It appears that at one point the immense task of codifying laws was considered most urgent in China. Hence, the specific responsibilities of the different instances were enumerated and precise definitions were given to misdemeanors, felonies, and so on. The rule of law, not political expediency or ideological purity, would henceforth regulate political life. Unorthodox or deviant points of view would no longer be liable to prosecution. In attempting to implement this approach, a debate naturally arose around the issue of the separation of powers. Some insisted on the independence of the judiciary and of the defense ("Even rascals are entitled to lawyers. . .") and on the distinction to be made between legislative, administrative, and other powers.

Probably the most audacious aspect of the debate has been the emergence of certain critical reflections on the nature of the party. According to one view, the party must be an organization of civil society without administrative powers; even if it is a party of the workers and peasants, it must still function as an organ of critical opposition vis-à-vis the state. There is thus no place for monolithism or Marxist dogma in a communist party. In effect, these proposals are at variance with certain of the theses advanced in Lenin's *What Is to Be Done?* Does the role and function of the party change once it becomes the hegemonic apparatus in society? A few participants in the debate have even hinted that something more than a single party may be needed to sustain a "democratic dictatorship of the proletariat and peasantry." It is conceded, however, that inasmuch as the CCP virtually singlehandedly organized the urban and rural toiling masses, the creation of additional parties and/or the revitalization of organizations that joined in the United Front would have had a very limited impact at best—indeed, it would

have been a purely symbolic gesture. But, they continue, should the seizure of power elsewhere be accomplished by a plurality of parties acting in concert, "this would perhaps be a good thing."

Participants in the debate did not have to await events in Poland before asserting that trade unions must be autonomous organizations of civil society which defend the rights of the workers, if necessary, even against their own state; unions are not, as *Pravda* editorials on Poland would have it, simply "transmission belts." What proponents of this last concept wish to conceal is that trade unions in revisionist countries are no longer instruments of the workers but, rather, ancillary instruments of the state which help secure its domination over the working class. The discussion on the trade unions prompted a series of reflections on freedom of association, artistic and intellectual freedom, and so on. That traditional themes dominate China's now burgeoning art movement and social realism is in eclipse testifies to the abandonment of ideological controls in this domain.

On the whole, implementation of these proposals—democratization of the state, reform and transformation of the party, relaxation of controls over civil society, and others—would not undermine the worker and peasant dictatorship, but quite the contrary, would help consolidate it, for they point the way to a correct resolution of the contradictions among the people and between the people and the state. Yet it appears that little has been done to realize them in practice. The state apparatus and probably the party as well are still weighed down by the traditions of the workers and communist movement. Still, the significance of this debate should not be underestimated. It has gone well beyond personal conflicts: real, substantive issues have been taken up. The effects may yet turn out to be profound.

The process is apparently still in its first stage: the de-dogmatization of the party. With considerable modesty, the CCP maintains that it is simply an offshoot of the international workers' movement and Bolshevism (I think, on the contrary, that the Chinese Communists have made an important contribution of their own to this history). To the extent that the threshold of the next stage is not broken, obstacles to the implementation of the novel propositions now being discussed will remain, and abrupt reversals are possible.

Ever since the Hundred Flowers Movement in 1957, when the CCP, in the face of a bourgeois ideological offensive, retreated from

the more radical positions it had staked out, there has been no real encouragement of ideological pluralism in China. But this posture is no longer tenable: we are no longer living in the days when the CCP claimed fealty to the Moscow-dominated "socialist camp." The split led the party to deepen its critique of revisionism and, in consequence of the tempests that have swept China since the Hundred Flowers Movement, the CCP stands on less firm ground today.

Will a new phase soon open up? The obstacles are formidable: the enormous weight of China's feudal past, the ambiguous legacy of Confucianism, the absence of an authentically bourgeois phase of development, and, perhaps, the resistance of certain interests entrenched in the state and the party. However, the fact that the CCP has never been monolithic is a significant factor working in its favor. The party has never fallen into a position from which it could not extricate itself: the space in which it can maneuver is still considerable. The existence and legitimacy of "contradictions among the people" is acknowledged, as is the continuance of leftist and rightist currents throughout the socialist transition. It has not been the CCP's practice, therefore, to liquidate so-called enemies of the people or to impose a sterile and despotic monolithism on its ranks. True enough, the thesis has occasionally been advanced that the bourgeoisie is inside the party. And we should not ignore the fact that there is a kernel of truth in this proposition: "rightist" ideas do reflect the objective interests of a bourgeoisie seeking to consolidate itself. But if not qualified, this thesis can be misleading. If a society is still in transition, even the contradictions with rightist forces are "among the people." In any case, no attempt has thus far been made to physically wipe out this bourgeoisie. On the other hand, there is now a movement underfoot to uproot Maoism and liquidate its defenders by playing on the people's accumulated grievances against certain of the practices with which the Maoists were identified these past thirty years.

At the moment, adherents of this second tendency seem to have the upper hand. The trial of the "gang of four" did nothing to clarify the issues at stake in this struggle: the line of Mao's associates was not given a hearing and the "ultra-left sectarianism" of which they were accused was not demonstrated; in denouncing the Cultural Revolution, no mention was made of the unprecedented contradictions to which this movement attempted a response. The distinct impression was left, therefore, that the target of this exer-

cise was Maoism in all its facets. In any case, the trial put an absolute end to continued discussion, and repressive measures have followed the wave of liberalization.

4. Whither China? Is Maoism a dead letter? Or will the New Course turn out to be just another phase within the Maoist trajectory? We can safely predict that a median line will be followed in organizing and managing the economy. This will assure that there is an acceleration in growth and that the four modernizations thus will be realized.

But can the tempo of development really be significantly faster than what was achieved between 1950 and 1978? The Maoists say, "Better to go slowly to socialism than quickly to capitalism." If by this they mean that the pace of development within a socialist framework compares unfavorably with what could be accomplished if a capitalist or revisionist model is chosen, then they are mistaken. This, for example, is one lesson of Chinese rural development. A small peasant economy abandoned to unfettered competition and internal differentiation could not have registered the rhythms of growth that China recorded after the consolidation of the three-tier commune system. There are social forces in China today which would like to dismantle the people's communes, reestablish private property in land, and even sanction the exploitation of wage labor. Initiatives of this kind have apparently already been taken. But the danger of a "kulak" offensive nonetheless appears rather small, since the poor and middle peasants would likely oppose it. This same danger lurked in the USSR during the NEP.

There it was even more serious, since the NEP preceded collectivization whereas the New Course follows collectivization in China. Thus, in NEP Russia, the popular alliance combined a parcelized peasantry with the urban working class, while in China it unites a collectivized peasantry with the working class. Stalin used the kulak danger to justify the forced collectivization of agriculture and to depose Bukharin, who championed the NEP strategy. It is clear today, however, that Stalin's real motive was to accelerate industrialization, even if the worker-peasant alliance was ruptured in the process.

In any case, the New Course did not produce the desired results in 1979-1980. When China opened up to the West in 1977-1978, great hopes were aroused, not only among the Chinese partisans of

this strategy, but also among the American, European, and Japanese monopolies, which hailed the penetration of the Chinese market as the event of the century. What happened? Chinese foreign trade was negligible in absolute and relative terms in 1950 (the combined value of imports and exports was only \$600 million); during the First Five-Year Plan, it rose to around \$2 billion (almost exclusively with the Soviet Union); it stagnated at this level during the 1960s (though now the West, not the USSR, was China's chief trading partner) when the terms of trade were more favorable; it increased at a faster rate between 1970 and 1977 (from \$2 billion to \$6 billion) and has more or less stabilized at this level.

To be sure, since 1977 China has imported technology and paid for it with raw material exports or with credits against future production (the imported technologies are expected to boost production levels). But commercial relations of this kind are even more modest than what was previously contemplated vis-à-vis the Soviet Union and are at better terms. There is no reason to suppose that the Chinese are less capable today of mastering the contradictions inherent in foreign trade than they were before the New Course was inaugurated. Given that they are not about to forfeit their hard-won national independence and given the objective reality of this immense country, it is unlikely that they will get entangled in the web of the international division of labor in the near future. Implementation of the New Course management and organizational reforms is predicated neither on the perpetuation of administrative methods of planning nor on exclusive recourse to the market. Recourse to the market in order to increase agricultural production initially resulted in a disequilibrium: first, grain cultivation was abandoned in favor of cash crops which were subject to market speculation and then just the opposite occurred. This turn of events in the rural sector buttresses our contention that the only way forward is a middle line; that right and left errors are inevitable in the course of giving practical effect to this line, we do not doubt.

The political setbacks of the New Course testify to the objective difficulties inherent in the self-management project. The undue emphasis on competition sent the planning system into a tailspin and in the ensuing chaos, scarce resources were squandered. The well-known practice of party members advancing through the "back door," and the attendant individual and group egoism, caused widespread demoralization. Such disillusionment will be-

come even more pervasive if instead of engaging in a genuine ideological struggle, authorities seek to justify their actions with an unprincipled, pragmatic discourse; appeals are addressed only to the specialists and cadre; and the mass line is abandoned in favor of hierarchy. Only if mass democracy is vigorously promoted will the Chinese people be able to stake out new territory in their long march to a classless society.

Chinese society can still evolve in any one of three directions:

Alternative I. The pendulum swings back to the center. This is evidently the preferable scenario since a middle line would mark an advance on the 1950–1978 period and could open the way to an authentic mass socialist democracy.

Alternative II. A Yugoslav-type revisionist system crystallizes. While certainly a less appealing prospect, such a system would still retain the capacity to evolve in a progressive direction.

Alternative III. China becomes a “semi-colony,” integrated into the world capitalist system.

Even if the first eventuality materializes, China would likely still be an imperfect socialist society, for the socialist relations of production would still come up against the weak level of development of the productive forces. To this extent China’s destiny is bound up with the future of the world.

PART III

MAOISM AND REVISIONISM

1. Our analysis thus far has demonstrated that the Maoists and revisionists are poles apart in their understanding of an approach to development. In his speech on the "Ten Great Relationships," Mao based the socialist developmental model he advocated around two fundamental principles. The first demanded an equal average annual return on labor for all categories of work (rural, urban, and white collar). Peasants were to receive a precise value equivalent for the products they marketed; a nonremunerated forced tribute in labor or in kind was thus prohibited. Such an egalitarian distribution of income is the objective basis of the worker-peasant alliance and endows the state with its popular content. It also poses a problem regarding the articulation of national planning and the market, however; for in the absence of a political will upholding the principle of equality, the standard of remuneration accompanying the development of the productive forces will "naturally" tend in an inegalitarian direction. The second principle required a return on labor within each sector of the urban and rural community which hovers somewhere around the national average. Politically, this signifies that there are neither classes nor, for that matter, privileged layers in the sense of a consolidated state bourgeoisie.

To be sure, these two principles are not synonymous with perfect equality, or even with a tendency toward the spontaneous elimination of inequalities. In effect, two basic inequalities obtain. First, rural regional differences, rooted in variable soil quality, different population densities, and unequal access to the communications networks and cities, persist. Consequently, the marketable surplus

varies greatly from one rural commune to the next as does—and this evidently follows from the first discrepancy—the sum available for communal needs, investment, and so on. Socialist modernization therefore necessarily entails a redistribution of the pertinent resources among the different communes and regions. In the past, errors were made both in ignoring the exacerbation of regional differences and in using inappropriate methods to reduce them. Second, in each branch of industry, production units with highly unequal endowments coexist. Since basic wages, like prices, are rigidly fixed for the country as a whole, enterprise profits—regardless of the qualitative and quantitative labor inputs—vary accordingly (units with more modern productive apparatuses record higher profits, and so on). Should enterprise profits not be redistributed but instead be left to the discretion of each individual unit, the socialist—read egalitarian—project may be compromised. On the one hand, the extra profits accruing to well-endowed enterprises can be used to provide better social services (schools, day-care, dispensaries, lodging, etc.) and more substantial bonuses to the workers employed there; on the other, if reinvested, these extra profits could further exacerbate intrasectoral differences in productivity and hence profitability.

These inequalities notwithstanding, egalitarianism, as embodied in the two above-stated principles, has been at the core of the Chinese strategy for the past thirty years. Until at least 1977, however, the means for giving practical effect to these principles was bureaucratic centralized planning. In fact, a radically restructured system of economic organization and management could probably produce better results without in the least compromising the essential content of this strategy.

An egalitarian distribution of income (both inter- and intra-sectorally) implies very specific demand and production structures. Production, for example, will be organized around two basic needs: (1) the modernization of the rural sector and (2) satisfaction of the basic needs of the peasants, workers, and salaried employees. All this amounts to production in service of the people, a far cry from the abstract production for production's sake that typifies the Soviet model. Because China has not broken with the principle of administrative planning, however, its political economy has not always been immune to the effects of the "priority to basic industries" approach (e.g., the cult of the "steel objective").

The relative share of the surplus earmarked for accumulation determines the rhythm of growth. The Chinese appropriated this surplus primarily from the most advanced sectors of the economy, unlike the Soviets, who took it primarily from the peasantry. They therefore succeeded in preserving the worker-peasant alliance: the least fortunate were not sacrificed at the altar of accumulation and growth.

Such a socialist model of accumulation does not preclude recourse to commodity categories, value, or market relations. On the contrary, commodity and socialist relations coexist in this model: on the one hand, producers satisfy their respective needs through the mutual purchase and sale of commodities, but, on the other, the value of commodities is determined not by the level of development of the productive forces but on the basis of an egalitarian return on labor. While it is true that these market and socialist relations have hitherto unfolded within the framework of bureaucratic centralized planning, it does not follow that recourse to market relations—assuming, of course, that these relations are articulated on a plan—could not produce the same results.

The Maoist socialist model differs in fundamental respects from its Soviet counterpart. Admittedly, in both China and the USSR, the economy is structured around a system of centralized planning and administrative management rather than flexible planning and reliance on the market. But in one case state power advances the interests of the workers and peasants, whereas in the other it serves the cause of the state bourgeoisie.

The Soviet model took shape in the 1930s, when the state exacted a massive tribute from the countryside. Whereas in China the movement to collectivize agriculture followed quickly on the heels of the agrarian reform (by 1956 most rural production was organized around advanced producers' cooperatives) and enjoyed the near unanimous support of the peasantry, the years during which the Soviets collectivized their rural sector (1930–1935) were punctuated by fantastic displays of violence directed against the great majority of rural producers. This forced collectivization signaled the disintegration of the worker-peasant alliance, which was the cornerstone of state power from 1917 until 1930. Revisionism originated precisely in this rupture. The police apparatus which proliferated in the soil of forced collectivization rapidly turned into an autonomous force vis-à-vis not only civil society but the

party as well. Little by little, a new class and, concomitantly, an oppressive state system crystallized around this apparatus.

An increase in wage and urban income differentials followed on and complemented the exploitation in the countryside. This turn of events was no doubt facilitated by the theoretical inadequacies of Leninism which, not having broken with the economic positivism of the Second International, held technology to be neutral. In any case, the state, once having elaborated a repressive apparatus to meet the challenge in the countryside, was able to impose its will on the recalcitrant working class as well and enforce a policy of wage differentials in industry. In this way, a dominant class consolidated itself—which, for lack of a better term, we will designate a “state bourgeoisie”—and ultimately defined the nature of the state. The administrative tribute imposed on the peasantry reduced rural income by half. If the proponents of “primitive socialist accumulation” are to be believed, this surplus should have accelerated accumulation. In fact, at least half of the potential surplus could no longer be forcibly extracted: agricultural production had declined precipitously. That the Soviets are still unable to resolve the contradictions plaguing the agricultural sector testifies to the depth of the catastrophe that befell Russia at this time.

This forced tribute strategy in no small part explains the persistence of queues, impoverished markets, and mediocre products in the Soviet Union today, in vivid contrast to the situation that prevails in China—which, lest we forget, is much poorer. Wages are so inequitably distributed in the USSR that only half of all urban income accrues to the industrial working class; the privileged strata (the middle and ruling classes) take all the rest. Such an inegalitarian distribution of revenues in turn engenders a production structure which differs fundamentally from its Chinese counterpart. In China the essential purpose of production is to satisfy the basic needs of the popular masses. In the USSR only one-third of production is destined for the satisfaction of the people’s basic needs; a second third caters to the consumption demands of the privileged strata; and the last third is reserved for the military and administrative sectors.

The Soviet economic system is organized around the principle of reducing to a minimum workers’ consumption in order to maximize the fund available for the whims of the privileged elements of

that society and the military. Soviet trade unions, far from being organs of workers' power, are pressed by the state bourgeoisie to intensify work rhythms and lower wages; as in the West, bonuses serve to divide the working class. In these circumstances, the state, which determines the uses to which all property is put, including formally collective property (the kolkhozes), is, and feels itself to be, a bane to the working class.

That the Soviet and Chinese models differ in vital respects should come as no surprise, given the contrasting histories of the party organizations which articulated these two strategies. Notwithstanding its revolutionary vocation and rupture with the Second International, the Bolshevik party was still very much steeped in the tradition of the European workers' movement; hence its distrust of the peasantry and temptation to write off the countryside as a strategic reserve of the bourgeoisie. Whereas it is true enough that the Bolsheviks were a force to reckon with in the Russian workers' movement, it is equally indisputable that they were a null factor in the countryside where the Social Revolutionaries (SRs) held sway. The Chinese Communist Party, by contrast, sunk deep roots in the hinterlands, beginning in the 1930s. The Chinese model took shape in this unique ambiance: after having forged a popular alliance in the rural zones to engage the anti-imperialist and anti-feudal struggle, nothing seemed less rational than a developmental model which penalized these very same social forces (i.e., the peasantry); and, after the egalitarian austerity of Yenan, nothing appeared more natural than a narrow wage scale and its adjustment to peasant incomes. In sum, the three political principles which inform the Maoist developmental strategy—pegging wages to peasant incomes, enforcing a narrow wage scale, and maintaining a national wage policy—are coordinate expressions of the workers' and peasants' hegemony in the Chinese revolution.

Why hasn't the Chinese Communist Party explicitly theorized this strategy? Undoubtedly, this is due to the fact that the Maoist model emerged spontaneously out of the class alliances that underpinned the CCP's rise to and consolidation of power. The polemics which the Chinese Communists exchanged with the Soviets never touched on this crucial theoretical issue. That they didn't explains the Maoists' ambiguous relationship with the Third International and Stalinism, the *de facto* autonomy of their party, their apparent pragmatism, and their refusal either to follow or forsake the Soviets.

The inadequacy of the Maoist critique of revisionism was the price paid for this silence.

Even after the schism in the 1960s the Chinese did not push their critique of revisionism to its logical limit: thus their inconsistent appraisal of the Stalin period. The Bolshevik tradition did not facilitate such a critique, since in all its incarnations, including Trotskyism (Bukharin was perhaps an exception in this regard), it shared Stalin's illusion that industrialization could be accelerated if a massive administrative tribute were imposed on the peasantry. Furthermore, because the international workers' movement set as its first priority the defense of the USSR against the very real danger of imperialist aggression, the extent to which Soviet society had itself degenerated for a long time escaped notice. But by 1960 certain realities could no longer be ignored. With the military hardware which they had frenetically amassed, the Soviets were now embarking on an aggressive foreign policy: what was this if not evidence that a new ruling class was now in power and that a new class society had crystallized in the homeland of the great October Revolution?

The principle of equal exchange and the strategy which hinges on it has more or less oriented Chinese development these past three decades. There is no gainsaying, however, that had a document which fully theorized the Maoist experience been available, the right and left variants of this principle—"remuneration according to productivity" and "equalization via administrative repression," respectively—could have been exposed and disposed of more effectively than was actually the case.

2. Our understanding of so-called economic laws is illuminated by the juxtaposition of the three developmental models which we have proposed.

These laws most assuredly are not ineluctable. Marx, in his polemic with the bourgeois economists, underlined that there were no general economic laws applicable to all social systems; each system was animated by laws peculiar to itself, laws which registered a specific configuration of class alliances and conflicts.

In the socialist model the "law of value" operates within the framework of the nation-state, while in the capitalist model its field of action is the world system. Correspondingly, the division of labor in which the capitalist accumulation process is inserted is global in scale, whereas the scope of the socialist division of labor

is, at least at the beginning, national (i.e., external relations are subordinated to the exigencies of national construction). On the other hand, in the capitalist model, the law of value operates within the framework of a class society animated by the search for rent and profits, whereas in a socialist model, each social relation is but another articulation of the worker-peasant alliance.

Statist societies are also national, but not always to the same degree. The USSR is more so than Eastern Europe, while Yugoslavia and, tendentially, Hungary are more fully integrated into the international division of labor than the other countries of the Soviet bloc; Cuba, in contrast, bears the stamp of a dependent statist society, one which in significant respects resembles an underdeveloped capitalist country. The law of value operative in statist societies derives from a system of class social relations in which the social surplus is appropriated by the objective props of state power, the new middle classes.

To the extent that products cannot be distributed indiscriminately ("each according to his needs"), that one must work in order to produce, that work remains an obligation, that "work" not "activity" (in which there is no distinction between work and leisure) is the operative category, that society cannot effect its will directly but must make a detour through a system of social organization rooted in the division of labor and exchange, in a word, to the extent that communism is not yet on the historical agenda, the value category will subsist. The persistence of the law of value signals that in the last analysis, the quantity of labor socially necessary to produce a product still regulates the value of the product, thus making of this good a commodity. But this is so only in the last analysis. Put another way, price relations are not the point of departure but rather derive from laws which express definite, specific relations of production (class relations).

If the social formation structured by these production relations is underdeveloped and capitalist, the law of value which regulates it has as its field of action the world capitalist system. This in turn, implies that

—values take the derivative form of prices of production (in Marx's sense) since surplus value is redistributed in proportion to the capital advanced;

—the quantity of socially necessary labor is determined by labor productivities in the most advanced regions of the system;

—appearances notwithstanding, the difference in compensation between skilled and unskilled labor results not from the social costs of reproducing the skills in question but rather from a political exigency: capital cannot exercise power otherwise than through the intermediary of social alliances and income differentials are the glue which holds these alliances together.

If, on the contrary, the social formation is underdeveloped but in transition to socialism,

—the social surplus is centralized and invested according to criteria that do not bear on the sectoral origins of this surplus;

—exchange ratios between different sectors of production are determined by the quantities of labor socially necessary within the national context; hence, one hour of abstract, social, and average labor in agriculture and industry are held equal, regardless of the relative prices of the products of that one hour of labor in the developed capitalist centers. And this, in essence, is what it means to de-link from the world capitalist system. What is at issue, in effect, is not a material break, a kind of autarchy, but rather a neutralization of the effects of external exchange on internal options. Foreign trade, which in any case is not likely to be of significant proportions in these circumstances, is subordinated to the logic of internal—national and socialist—development and not vice versa;

—if workers possessing different degrees of skill produce, say, in an hour, values that are proportional to the social costs of their respective apprenticeships (and these ratios fall somewhere between 1 and 1.5), then considerations of a quintessentially political order will determine the rates at which they are compensated.

Thus, it is the law of value, and not its negation, which ensures that an average year of a peasant's labor and an average year of a worker's labor are equally remunerated and that the wage scale falls within relatively narrow limits—the law of value, that is, as articulated on socialist relations of production.

That a society is regulated by the law of value, therefore, no more proves it is revisionist or statist than the negation of this law is the hallmark of a society in transition to socialism. The real question is within what system of social relations this law is inserted.

Of course, the value category is not eternal. Like all social categories, it will disappear once the social-historical conditions of which it is an expression—in this case, the division of labor and

commodity production—are abolished. But communism is still some way off; and imperialism has imposed a form of transition to a classless society which does not allow for the myth of world revolution. This transition is based on unequal development and begins at and unfolds from the peripheries of the world capitalist system. If the productive forces are to develop in accordance with the exigencies of the socialist transition, the indigenous exploiting classes must be eliminated and the social formation as a whole must de-link from the world system. Satisfying these conditions does not preclude the law of value; on the contrary, this law—or, more precisely, a particular variant of it, namely, the law of value as articulated on socialist social relations—is presupposed.

No social system can accomplish miracles. In particular, long-term growth rates—over, say, several decades—cannot exceed 5 to 7 percent. This is not so much because of the classical obstacles to growth (capital shortages, poor resource endowments, etc.) as it is because the most desirable rhythms for transforming political, ideological, scientific, and educational relations closely correlate with the succession of generations. A heightening of social tensions ensues whenever these tempos of change are accelerated, and chaotic outbursts, readjustment periods, and so on, invariably follow.

The fundamental point of distinction among the three models is not different rates of growth. To be sure, growth rates in countries that are part and parcel of the world capitalist system are almost always mediocre; in fact, they are nonexistent (or negative) for whole regions of this system (for example, the contemporary “fourth world”). Only in exceptional circumstances—circumstances which render irrelevant any comparisons with densely populated and poor regions—do they rise above the mediocre. Long-term growth rates in statist societies are even less impressive. But to return to our original point: each of the three models embodies a radically different social perspective.

The simultaneous development and socialist transformation of the social productive forces raise fundamental questions concerning economic organization. In effect, there are two basic approaches to this problem: either recourse to centralized administrative or decentralized economic management. Administrative management does not in itself guarantee progress along the socialist road: Soviet statism is proof enough of this. But on the other hand, neither is the abandonment of centralized administrative management in itself

insurance against statism: witness Yugoslavia. However, an argument can be made that autonomous management is preferable, at least politically: a drift toward statism may in fact occur, but given the flexibility of such a political system, it is less likely that it will harden into a despotic statism. This observation points up the fact that during the socialist transition politics is and must be "in command."

If socialism, understood as the transition to communism, presupposes the law of value, then it follows that there are economic laws and a political economy peculiar to socialism. But the status of these laws and this political economy are not the same as in a capitalist society: the nature and mode of operation of the economic laws of capitalism are inextricably bound up with the particular infrastructure-superstructure relation of this mode of production.¹ The generalization of commodity production to such an extent that even labor power is endowed with this form explains the opaque quality of capitalist relations of exploitation; and because of this opaqueness, economic laws appear in the capitalist system as extrinsic to society, as laws of nature. Hence, the fundamentally economistic character of social alienation and the apparent separation of the political from the economic. Socialism, on the contrary is—at least, tendentially—transparent: society must master the commodity relations which govern it. National economic planning unfolds on the basis of a determinate ratio between the "price of rice and the wage," a ratio which expresses the value equality between the annual labor expenditures of a peasant and urban worker. And this equation must be clearly grasped by the workers. Likewise, wage differentials must be decided democratically: inasmuch as these differentials are a political necessity, no good purpose is served by trying to ideologically obfuscate their import.

The discussions on the economic laws of socialism have shed little light on this point since all parties to the debate have failed to distinguish between commodity production in a socialist as against a capitalist setting. Put another way, commodity relations have been equated with capitalist commodity relations and the abolition of these relations with socialism. Certainly this was how Rosa Luxemburg viewed the matter; so too did Lenin (the "return" to commodity relations signals a "concession") and, later, Stalin. Economic laws, the law of value, commodity relations, and so on

were invariably viewed as “concessions”—always “provisional”—to capitalism.

On the other hand, when the “return to the law of value” was heralded in the past, this did in fact signal that the society in question had indeed regressed, if not to capitalism, then at least to a stabilized form of statist exploitation. Thus when Stalin somewhat belatedly acknowledged the existence of economic laws of socialism in 1952, this was in order to stabilize the—unequal—relations between the agricultural (kolkhoz) sector and state industry. In the same way, Khrushchev’s abolition of the machine-tractor stations and his transfer of ownership of state tractors and machines to the kolkhozes in 1958, because it exacerbated inequalities between kolkhozes, did not represent a step forward on the road to a lucid mastery of socialist commodity relations; rather, it meant a step backward toward the stabilization of statist commodity relations. (Significantly, the fundamentally reactionary aspect of this reform, as of Khrushchevism in general, did not escape the attention of the Chinese and Koreans.) In the USSR and Eastern Europe, in Vietnam and Cuba, and even sometimes in China, when concessions were made to the “free market,” to private plots, to “economic calculation,” to “profits”—concessions which always exacerbated social inequalities—what we were in fact witnessing was this kind of negative “return” to a half-capitalist, half-statist law of value.

The real question is therefore how to render transparent the (equal) commodity relations of socialism. Two solutions have thus far been proposed: self-management and politics in command.

Self-management is a complex social project which cannot be reduced to any one of its aspects. Its core is certainly democratic, and this in part explains why in its revolutionary phases, the workers’ movement has always spontaneously moved in this direction (workers’ councils, soviets, etc.). But once the revolutionary wave has receded, the inherent limitations of the self-management system become evident: while early on it may facilitate the seizure of the means of production by the immediate producers, more and more it becomes an instrument of political obscurantism (dividing workers into competing collectives, for example). Self-management must therefore be complemented by national and regional planning; otherwise, it will breed a new form of economic alienation

which reproduces divisions within the working class, as shown by the experience of Yugoslavia.

Politics in command is not synonymous with ideological arbitrariness. On the contrary, it is the lucid management of equal exchange relations between collectives which are simultaneously self-managed and structurally integrated into the social ensemble. This, in essence, is the animating principle of the Maoist and *Juche* strategies. But the practical expression of this principle differs in the Chinese and Korean instances—and neither is perfect. The nodal points of the Korean system are a mass party (to which the majority of workers belong), basically collective management (enterprise committees are elected), and a multilevel planning process (national and regional plans). This contrasts with the situation in China where, even after the Cultural Revolution, the vital force at every level of society was an elite party. In any case, what redeems each of these approaches is the dynamic they set in motion; each has the potential to advance democracy and the effective control by workers of their daily lives. But this must be balanced against the fact that both the Chinese and Korean systems are continually threatened by a sclerosis which could nullify their potential.

Uninterrupted democratic progress or stagnation and regression in the real power of the workers? This again is the unavoidable question of democracy and the state. The state, let it be said, is an absolute necessity; without it, there is no way to articulate the real power of the basic collectives onto a global social project. How to ensure the popular character of this state, however, remains a problem; and neither democratic proclamations descending from above nor a “return to legality,” which amounts to a paternalistic legitimization of authority, goes any way toward resolving it.²

3. Historical experience points to the conclusion that the transformation from class society to communism will involve a long transition, for at least three reasons. First, the unequal development of capitalism in the imperialist era has meant that breaches in the direction of socialism have been, and are likely to continue to be, more possible in the peripheries than the centers of the system. The national democratic revolutions led by the proletariat in alliance with the peasantry against imperialism and its local agents have the potential to evolve in a socialist direction. But the considerable historical task of developing the productive forces to an appropriate level nevertheless remains. In addition, the task must

most often be undertaken in societies where conditions are difficult; namely, in the absence of democratic traditions and the presence of a multiplicity of external and internal pressures (revisionism, etc.).

Second, how the transition to classless society will work itself out in the advanced capitalist world is still a complete mystery; the Soviet and Chinese models provide few pointers in this regard. The bourgeois revolutions through which Western Europe and North America passed occurred in the now distant past; the multi-party systems and elections typical of the democratic tradition are thus firmly anchored in Western customs and mores. This means that in the short run, only moderate socialist or liberal rightist regimes—the differences between them being, from the perspective of social evolution, relatively inconsequential—are on the political agenda. If in the process of abolishing class society, democracy and pluralism flourish, “this will not be a disadvantage” (as the Chinese put it). There nonetheless remain two major impediments to the maturation of socialist consciousness in these societies: on the one hand, the pervasive belief in a common national interest which, lest we forget, has a very real material basis, namely, the pillage of the third world; and on the other, the propagation of the notion by certain left-wing elements of the international workers’ movement that there is socialism—even if only one ounce!—in the Soviet Union.

Beyond all this, we should keep in mind that even in the advanced capitalist world, a long and difficult transitional period will necessarily precede the abolition of classes and value categories; for communism presupposes stupendous transformations in the extant international division of labor and a fundamental ideological revolution as well.

Finally, the international system of states and nations will subsist for a long time to come. First of all, because the transition to socialism will begin in the weak links of the system: the belief in a simultaneous world revolution is a dangerous myth. Moreover, even in a world where transitional societies predominate, the national factor will not go away so long as the social reality which it registers—the unequal development of nations—persists. The state therefore will not wither away in the course of this long historical transition; only the system of states will do so, and that only at a very late date.

Now, the popular and revolutionary class alliances that are the

political basis of societies which have embarked on the socialist transition do not act on the social reality directly as classes but, rather, through the intermediary of the state. The state, consequently, preserves a relative autonomy vis-à-vis the social classes that underpin it. It may therefore serve as the instrument of the worker-peasant dictatorship or as the matrix within which another class reconstitutes itself.

It follows that while the class struggle between the proletariat and the peasantry on one side and the former exploiting classes (the bourgeoisie and landowners) on the other may occupy the foreground of the socio-political drama during the initial phases of the transition, these engagements are not the real stuff of the transition. The political essence of this period is the conflicts that set the workers, peasants, and the state—singly and in combination—against each other. To the extent that these conflicts do not fundamentally undermine the worker-peasant alliance or the control that these classes exercise over the state, they are contradictions among the people. But if these contradictions are not handled correctly, the state is emptied of its worker-peasant content and the axis of class struggle shifts: the chief protagonists are then the state and the dominant and exploitative class which ground it on one side and the people on the other. This, in a word, is revisionism: the terminus of a struggle which had as its point of departure the incorrect handling of contradictions among the people.

To sum up our analyses thus far, we may say that the transition is characterized by a double struggle: (1) between the market or its bureaucratic negation on one side and a median line which reflects the fundamentally contradictory nature of the transition on the other; and (2) between the superstructural forms of the law of value (“bourgeois democracy”) or its negation (“statist despotism”) on one side and the necessity of a median line—one in which political and social democracy are articulated in an activist state and party—on the other. These two struggles—the law of value and its negation and democracy and the party (single- or multi-party system, monolithism, or respect for internal party conflicts)—are intimately related.

In principle, socialist democracy must be a higher form of bourgeois democracy. In particular, socialists cannot abrogate the formal and real rights won in the course of the bourgeois revolutions (freedom of opinion and expression, pluralism, the right of associa-

tion and to strike, etc.) in the name of a "higher interest"; on the contrary, inasmuch as private property acts as a constraint on the development of authentically democratic practices, its abolition should coincide with a qualitative extension of bourgeois democratic rights. The dogma of a single and monolithic party is, therefore, antithetical to socialist democracy. Perhaps when socialist revolution is on the agenda in the West, a resolution of this dilemma, which is essential if socialism is to blossom, will be forthcoming. What form will it take? To the extent that this problematic is an abstraction, to the extent that it is not the object of real struggles, or for that matter, the object of social projects which are in the political consciousness of the workers, it is impossible to say. And so long as there is imperialist domination by the centers a socialist alternative is inconceivable: "A people which oppresses another people cannot be free. . . ."

Until socialism is the order of the day in the West, we must work to accelerate its progress in the peripheries of the system. But there, alas, bourgeois democratic traditions are nonexistent. And to this handicap we must add another. By uniting, organizing, and in some sense leading the worker and peasant masses, the revolutionary party has historically been able to reserve for itself a *de facto* monopoly of power. Under these circumstances, socialist democracy cannot but proceed in a slow, tenuous, and problematic manner. What must be avoided at all costs is an irreversible degeneration, that is to say, the substitution of a police state for a living party, namely, a party which enjoys the real, active support of the people, which admits of contradictions among the people and of the manifestation of these conflicts in its midst. The USSR has reached this point of no return: where once we could justly speak of "socialism" and a "communist party" in delineating this society, now we must have recourse to another vocabulary—"police dictatorship," "exploitation" by a "state bourgeoisie," and the like. The Hungarian workers in 1956 and the Polish workers today have given practical expression to this fact.

4. The above remarks have enabled us to specify the nature of the struggles which define the long transition to classless society. These struggles are articulated on the law of value (or rather, the socialist, statist, or capitalist variant of it), a particular system of economic management (bureaucratic or worker-controlled), and a specific organization of political life (socialist democracy or a

statist police despotism). The future of socialism is contingent on the resolution of these struggles.

At least until the present, the CCP has more or less correctly engaged these struggles. This is obviously not to say that at each and every moment its political orientations and initiatives have been entirely correct, but that the errors it has indeed committed were not irreversible. For one thing, CCP policy has always been based on the "Ten Great Relationships," the political pillars of which are the worker-peasant alliance and a state with a popular content. Moreover, in taking self-reliance as its strategic principle, the Chinese were able to effectively tackle a whole series of problems originating in unequal world and internal development: freeing themselves of external constraints in effect enabled them to steer clear of the kinds of inequalities that are generally attendant on development (between regions, production units, etc.). Errors have evidently been committed in the application of this principle, but none of an irreversible nature. Finally, the state and party have remained democratic. While one cannot claim they have followed consistently democratic practice, the overall historical trend has been in the direction of greater democracy. Perhaps the CCP will now commence a positive critique of the Bolshevik tradition of the state and party that it inherited. That the Chinese Communists repudiated monolithism, despite their Bolshevik legacy, thus creating conditions favorable to their de-dogmatization, explains why a despotic police state has not crystallized in China.

The Chinese Communists were slow in recognizing what distinguished their basically correct general line from revisionism—and, in fact, they still have some way to go. We should add that there has been a regression in this regard recently. All this notwithstanding, there has been a remarkable continuity in China's developmental strategy during the past thirty years. The record of these three decades is one of positive and negative aspects, successes—always partial, limited, and contradictory—and failures. However, what is most striking in retrospect is that each of these phases has been informed by the principles of the worker-peasant alliance and the exercise of economic and social power by—or at least on behalf of—the popular masses. It remains to be seen whether the New Course will inscribe itself in this continuity or will mark a decisive rupture. China is now at a crossroads. Will it become just another underdeveloped capitalist country? Or will it turn into a revision-

ist society in the image of the USSR? Perhaps it will come to bear the stamp of the Yugoslav system.

Whither China? If our—admittedly schematic—comparison of the three theoretical models offers no definitive answer, it does, we think, provide some useful pointers.

First, we can exclude the possibility of a capitalist-type development. In effect, it follows from the tribute that the peasants are forced to offer up that the exploiting classes are the decisive factor in dependent capitalist countries. The magnitude of this tribute, furthermore, is extraordinary. Who gets what share of this deduction from the rural gross product? It is divided up by the multiple mechanisms which integrate these societies into the international division of labor between the local exploiting classes (which may or may not include the state, depending on whether a state bourgeoisie has created bureaucratic cooperatives to appropriate the rural surplus normally pocketed by the big landowners) and the dominant imperialist interests. It is, moreover, characteristic of this dependent capitalist model that the net product from the industrial and service sectors is divided up between the workers and the exploiting classes (together with their allies). Now, it is manifestly absurd to imagine that collectivization will be undone in China, that private property in land will be restored, that enormous inequalities in the allocation of this property will be sanctioned. At the very least, proposals of this nature would meet with ferocious resistance from the peasantry, which in itself would be enough to reverse them. The small concessions to the peasant economy—however negative they may be in political and economic terms—do not presage the wholesale liquidation of collective property.

The distortions in industrial development that follow from the capitalist model of distribution do not diminish over time; rather, they are progressively exacerbated. This development serves neither the needs of popular consumption nor the priority modernization of agriculture but instead is geared to the ever-rising consumption standard of the exploiting classes (the bourgeoisie and state bourgeoisie). As we have just indicated, this distortion is characteristic of all underdeveloped countries, at all stages in their development; it is as true of largely backward countries in the first stages of imperialist domination (where the local exploiting classes allied with imperialism are mainly “feudal” and comprador) as it is of the

semi-industrialized countries (where the typical alliance is one which imperialism has forged with the new bourgeoisie). This explains the apparent paradox of fast growth accompanied by stagnation or even regression in the real incomes of the immediate producers (as is the case in South Korea and Brazil, for example). The distortions in the economies of the Arab world are even more pronounced today than they were before the hike in oil prices.³

The class configurations of these societies also explain their externally dependent status. Massive technological imports and indiscriminate internal repression prove indispensable once the consumption demands of the privileged strata are accorded priority. Furthermore, what with the massive profits to be had from exports to and the debt-servicing of these underdeveloped countries, imperialism has no quarrel with this set of priorities. The retardation in agricultural development inherent in this model limits productive import capacity and results in accelerated urbanization—an unavoidable by-product of peasant poverty—which in turn means growing urban unemployment. From Singapore to Brazil, by way of the Arab Orient, we observe the same pattern repeating itself over and over again: as participation in the unequal international division of labor deepens, so does dependence. Should these countries advance to a new stage of industrialization, one in which they would be chiefly exporters to the West, this would signal their transformation into the quintessential subcontractors of the imperialist monopolies.

That China will embark on a path of autonomous, independent, capitalist development is even more of a pipe dream. Let us recall that capitalist commodity relations, not simple commodity relations, are the characteristic feature of the developed capitalist model. Put another way, the net product here has two components: wages (and the returns on labor of the petty producers, in particular, the peasantry) and profits (which are proportional to the capital advanced). Monopoly, like the indirect domination of capital over the petty producers, introduces supplementary distortions: hence the inequitable distribution of the product between workers in agriculture and industry, between different industrial sectors, and between enterprises of the same sector.

Underpinning this system is a maximum possible differentiation regarding returns on labor. The remuneration of manual labor, for example, is miniscule as compared to the wages that accrue to

skilled, technical, and administrative personnel. This gap, we repeat, is not attributable to the social costs of training these various categories of workers. Rather, it is grounded in capital's endeavor to forge a political class alliance with specific social strata. The same principle informs every facet of working-class life, whether it be extreme wage differentiation (organized around a system of piecework and bonuses) or the hierarchical organization of a despotic labor process (in which a veritable army is needed to impose labor discipline): divide the workers.

The so-called national interests of the developed capitalist countries, which facilitate the domination of capital, have as their foundation imperialism's superexploitation of the workers in the periphery and the pillage of the underdeveloped world's resources. We must not confuse the international interdependence of the developed capitalist countries with the asymmetrical dependence of the countries dominated by imperialism. Imperialist exploitation—an "option" ostensibly closed to the Chinese—thus goes to the heart of the developed, capitalist model: in its absence, the model is unthinkable.

It follows from our model of underdeveloped dependent capitalism that if a society whose productive forces are still backward attempts to fully integrate itself into the international division of labor (a) national independence will be forfeited, (b) classes and social strata will be spawned which benefit from this integration, or, if they already exist, they will serve to reinforce it, and (c) objectively, these classes therefore become subaltern allies of imperialism; the contradictions which occasionally set the local ruling classes and their mentors at odds are of a secondary order. Where countries inscribed in the underdeveloped capitalist model have experienced a modicum of economic growth, it has always been skewed and dependent. That the Chinese people could become so enamored of these dependent capitalist experiences that they would forfeit their hard-won national independence is difficult to imagine.

Second, the social nature of the revisionist threat to China can be distilled from a comparison of the Soviet and Chinese models. Revisionism is defined by the class content of the state. The Soviet state serves a state bourgeoisie which exploits the people. Its essential character is made manifest not only at the level of political realities (absence of democracy, no means of workers' self-defense, etc.) but also in the structure of production: the social, political,

and military priorities of this productive apparatus correspond to those of the state bourgeoisie.

Bureaucratic, centralized planning did not originate out of a political will to suppress allegedly capitalist categories (value, the market, etc.). On the contrary, this system crystallized in the course of imposing on the working classes a production structure that did not conform to their essential interests. In fact, there is good reason to doubt the efficacy of these planning techniques. While the co-ordination of a military-industrial structure is certainly facilitated by such methods in the initial, extensive, phase of its development (e.g. when labor-power must be withdrawn from the rural sector), they are less effective during the subsequent phase of intensive accumulation, when progress is measured by ever-increasing productivity. The stagnation of the Czech economy confirms the validity of this observation.

Khrushchev, in introducing his reforms, hoped to surmount these difficulties without tampering with the class nature of the system. The autonomy accorded production units thus benefited only the enterprise directors, who subsequently enjoyed a higher standard of living (these middle-level technicians form the nucleus of the new petty bourgeoisie). If Brezhnev recentralized and re-bureaucratized the system, this is because there is no escaping this fundamental contradiction; what alternative, really, is there to the present regime's desperate bid to intensify the exploitation of the immediate producer and to allocate larger and larger shares of the surplus thus extracted to military appropriations so as to enhance its internal and external repressive capacities? The Soviets' long-standing hostility to China, the modernization of which they find very disquieting, can be understood only within this context.

These last remarks point up a shortcoming of the Maoist alternative to revisionism: on the one hand, appeals are made to mass initiative and decentralization while on the other, the bureaucratic, centralized system of planning is never called into question. A bureaucratized economy is the inexorable outcome of an abstract negation of the law of value. The principle, favored by Stalin in the 1930s and later popular in China, that "a right error has a class content whereas a left error is simply one of methods" is mistaken: the administrative apparatus which the leftist error of denying the law of value engenders is the matrix within which the state bourgeoisie—an objectively rightist force—constitutes itself.

China today is not revisionist. While in both the USSR and China, property in the means of production is either statist or collective, there is as much difference between these two social formations as there was, say, between France during the Popular Front and Hitler's Germany, both of which were organized around a system of private ownership. Collective property in the means of production is no more synonymous with the Soviet model than private property is with the fascist model. The despotic Soviet state and fascism are products of a particular unfolding of the class struggle, not of the exigencies of the economic and social system.

However, the danger of revisionism looms large in China, as in all transitional societies. This is why it is important to keep the Yugoslav example in mind. In the 1948 rupture with the Soviet Union, the Yugoslavs reacted as any revolutionary forces would have in similar circumstances; indeed, how else to respond to an apparently irrational dictate from the country which virtually all communists at the time regarded as the avatar of socialism? Yugoslavia thus faced a situation not unlike the one in which the Chinese found themselves in 1960. Once liberated from Soviet ideological tutelage, the authentic revolutionary content of the Yugoslav communist party enabled it to work out the correct principles of socialist construction, namely, workers' control. The hostile international context within which Tito and his comrades attempted this innovative experiment basically explains its limitations and flaws; in particular, because of excessive recourse to the market and foreign trade, regional inequalities were exacerbated and a pronounced wage and income hierarchy developed. These shortcomings progressively modified the class content of the state: they both significantly enhanced the position of the state bourgeoisie in the state apparatus and contributed to the depoliticization of the popular masses.

These circumstances in turn explain the still dogmatic and undemocratic features of Yugoslav communism. Yet Yugoslavia is not dominated by a despotic state; the system is still flexible and may yet evolve in a progressive direction. This suppleness contrasts sharply with the frozen character of Soviet society, a society in which nothing short of a revolutionary upheaval is necessary if it is to progress. Precisely because of its ambiguous content, the Yugoslav model attracts the East Europeans as well. However, given all the practical experience that it has accumulated during

the past thirty years and the advantages of scale that it possesses, we can be guardedly optimistic that China will be able to better cope with the pitfalls inherent in opening up to the West than did Yugoslavia.

In this protracted struggle between the socialist and revisionist lines the central question is always the worker-peasant alliance. To the extent that the socialist transition will commence in the peripheries of the imperialist system, it is unthinkable unless it is based on this alliance. A dictatorship over the peasantry, that is to say, over the majority of people, cannot but be the forerunner of a revisionist despotism. Because it openly posed and correctly resolved this contradiction, Maoism represents a historic advance over Bolshevism.

By taking as his strategic orientation the principles of equality between the countryside and city, a narrow wage scale, national autonomous development, and the workers' mastery of the productive apparatus, Mao gave concrete meaning to the socialist transition—namely, the progressive reduction of the “great differences” inherited from capitalism. Any strategy which aims to reduce these differences is fundamentally socialist; by contrast, any strategy in which these differences are exacerbated will culminate in a capitalist restoration. Now, only in a society genuinely on the socialist road can the principles of the Maoist strategy be meaningfully applied. In China, they were indeed implemented, but only in the course of a very lively history, punctuated by frequent violent struggles and occasional regressions.

These principles are pertinent to a transitional society, not one in which classes have already been abolished. In the first place, in such a social formation, development of the productive forces is still an essential and legitimate task: abundance is a prerequisite if distribution is to be regulated by the principle “each according to his/her need.” Moreover, the productive forces cannot develop on the basis of social relations inscribed in a communist perspective if the society has not de-linked from the imperialist system. The transition is also characterized by contradictions within the hegemonic bloc of popular classes; the subsistence of different categories of workers whose skills and responsibilities are unequal; and, finally, the active role of the state, which articulates the popular hegemonic alliance and coordinates the development of the productive forces. The state, the third constituent of the socialist

transition, is therefore the site where the struggle between the socialist and revisionist lines is fought out. To the extent that the state is wracked by these struggles, social control of society by the workers—rather than by the cadre—can only be imperfect, contradictory, and tenuous.

In the history of the Chinese Communist Party, the “left,” “right,” and “centrist” tendencies have often clashed with each other. The left—Maoist—tendency undoubtedly has played the preeminent role in the definition of China’s socialist strategy. But the Maoists have also recognized the necessity of winning over the center, to which the overwhelming majority of workers and peasants as well as militants tend to gravitate. This is why Mao called his camp “left centrist.” Right-wing tendencies have also enjoyed a measure of success inside the party, for basically two reasons. First of all, the antifeudal class struggle combined with an anti-imperialist national liberation struggle in China. This fusion enabled the party to win over those bourgeois revolutionaries who, despite their disillusionment with the Kuomintang, were still committed to China’s emancipation from the double yoke of imperialism and feudalism. Later, however, these social forces proved more disposed to developing the productive forces than radically transforming production relations. Furthermore, the struggle between two lines, the chief protagonists of which are the “new classes” and the popular alliance of workers and peasants, is precisely what defines the transition. The bourgeois revolutionaries and representatives of the nascent new class also invariably engage each other in the course of the transition.

Had authentic socialist forces (i.e., the left and center) not predominated in the alliance that was forged during China’s socialist and national revolutionary struggles, such progress as has been made along the socialist road would likely not have occurred. But the left has not always fully grasped the importance of securing this numerical superiority. Too often it has been disposed to advance at a dizzying pace from one stage in the socialist transition to the next and, when confronted by objective difficulties, to alienate the center and force it into the rightist camp, which is always prepared to exploit this circumstance for all its worth. In every phase of the Chinese Revolution, however, the center ultimately tied its fortunes with the left. It is not always possible for a foreign observer to identify correctly the personalities that incarnate each of these

diverse currents. But it would appear that Zhou Enlai and perhaps Hua Guofeng symbolize rather well the left-center alliance, while one can situate the Cultural Revolution group (the “gang of four”) on the left (in the sectarian sense) and Liu Shaoqi and Deng Xiaoping on the right.

The Chinese Communist Party has gone some way to put into practical effect the first three principles of the socialist model (equality between the countryside and city, a narrow wage scale, and self-reliant development) and has fashioned instruments adequate to the effective realization of these principles (the commune and its divisions, nonauthoritarian planning, a correct ratio between the price of rice and the wage, and a rational hierarchy of wages). The same cannot be said, however, of its effective application of the fourth principle—i.e., mastery of the social organism by the masses rather than by the cadre. But the progressive evolution of the system as a whole is intimately bound up precisely with the implementation of this fourth principle.

Will China’s opening to the West, its modernization of agriculture, industry, science, technology, and defense, occasion a decisive change of line? While there is no gainsaying that the Chinese people’s commitment to national independence and socialist transformation—a commitment forged in the course of the most advanced class struggles of this past half century—is not an absolute guarantee, it does offer grounds for supposing that the centrist position will ultimately prevail. However, with the death of Mao and the subsequent elimination first of the extreme left and then the left there is the danger that the rules of the game to which Mao had accustomed us for thirty years will be subverted.

5. So long as the world system remains locked in a profound crisis, perspectives favorable to a socialist transition will no doubt open up.

Since we have endeavored to analyze this crisis elsewhere, we will simply recall our conclusions.⁴

First, we reject the thesis which interprets contemporary world conflicts in terms of the struggle between the “socialist camp” and the “capitalist camp”—the revisionist USSR is neither socialist not, for that matter, even “half socialist.”

Second, we likewise reject the thesis which grounds these conflicts in the struggles between “socialist forces” and “capitalist forces”: the overall weakness of the left precludes the abolition of

classes in the near future. An improvement in the status of the working classes in the imperialist centers and an amelioration of the people's living conditions in the peripheries (the latter, we should add, is contingent on a recasting of the world economic system) is, generally speaking, the best that the left can hope for. Consequently, nations and states occupy the foreground of the contemporary world drama.

Third, we assert that the impasse in which Soviet society is presently caught and the revolt of the East European peoples are the root causes of Soviet "expansionism," which especially threatens China.

Fourth, the West and the USSR will not be able to dominate the populist revolt which the profound crisis in the peripheries—a crisis which grows out of the third world's inability to impose a radical restructuring of the world economic order—has occasioned.

Soviet aggression is not at all a function of its growing stature in the international arena, its potential ability to replace the United States as the hegemonic power on a world scale. On the contrary, it is the reaction of a frightened power on the decline. The Soviet system is incapable of effecting that profound political reform without which its transition from extensive to intensive accumulation, already long overdue, will be indefinitely postponed. Nor can the USSR dominate the kinds of international alliances that structure its form of imperialist expansion. It no longer enjoys the international prestige that it once possessed. Only vassal states located within its sphere of military preponderance are responsive to it—or were, before they entered the present phase of active revolt.

But however weak it may be economically, socially, and ideologically, the USSR is still the only superpower that can challenge the United States militarily on a global scale. In supporting third world liberation struggles desperate for its aid, Moscow hopes to acquire an additional bargaining chip in its negotiations for badly needed modern technology, namely, the control of those raw materials and energy supplies earmarked for its potential trading partners in Western Europe. This strategy, which encompasses the Soviet invasion of Afghanistan and its interventions in southern and oriental Africa, depends on the complete passivity of Europe, exclusively preoccupied with economic competition from the United States and Japan.

The Soviets know full well that their superpower status derives

exclusively from their military preponderance. Without this advantage, they would not be even the second-ranking world power: whereas the USSR was the United States' chief economic rival in the bipolar world that emerged out of World War II, in an eventual multi-polar world Japan will be the number two industrial power. If China succeeds in modernizing itself, the Soviets will once again find themselves in that relatively isolated, politically impotent condition which was theirs until 1960, and in these inauspicious circumstances they would still have to resolve their internal contradictions.

This is at the root of the Kremlin's deep-seated hostility to China. The USSR has always insisted on treating its allies like vassals. Mongolia, whose independence is circumscribed by a Soviet military occupation, is the ideal neighbor in this respect. China, on the other hand, has refused to buckle under Soviet pressure; even Moscow's abrupt withdrawal of aid and its cancellation of contracts pertaining to work already in progress could not bring China to its knees. Can the Chinese so easily forget that the Soviets have never renounced their ambition to dismember China and remake Sinkiang and Manchuria in the image of Mongolia? Can they forget that the USSR was one of the few governments which recognized the Manchuko puppet regime in 1932? That between 1945 and 1949 Moscow backed the Kuomintang and attempted, through its KGB, to create a puppet regime in Sinkiang? Or that Stalin's successors are no different in this regard (during the 1950s, for example, they plotted to establish an autonomous economy in Manchuria)?

Russian imperialism has always looked East, toward Asia. And today, this is the only region in the world that has escaped decolonization. Contemporary Tashkent resembles Algeria during the days of the *pieds noirs*. The success of Russian colonization, to be sure, can be understood only within the context of the October Revolution and the concomitant social revolutionary transformations from which the Central Asian peoples did indeed initially benefit. But when the new tsars had acceded to power toward the end of the 1920s, this emancipation of popular energies was viewed with circumspection. Repression ensued: the Sultan Galiev was liquidated and so-called nationalist revolts were suppressed (only Great Russian nationalism, it would appear, conforms to the objectives of socialism). Artificial divisions were nurtured among the subject peoples: in Turkestan, national dialects were substituted

for the unifying Turkish language, after which the region was Russified and divided into four Turkish-speaking republics (Kazakhstan, Kirghiz, Turkmen, and Uzbekistan); by Cyrillicizing their written language, the Soviets succeeded in detaching the Tadzhiks (Persian-speaking Iranians) from their Iranian and Afghani neighbors. All this recalls the Berber Dahir in North Africa and the attempts to divide up the French Levant into Alid, Demascene, Maronite, and other separate states. Behind the ideological smokescreen of “deferring to particularities” thus lurks the time-immemorial colonial policy of divide and conquer. The Soviets have also resorted to population transfers in their bid to colonize alien territories: the indigenous stock breeders of Kazakhstan were forced into semi-desert regions and replaced by Russians who now make up a full half of the total population (credit for this feat goes to the very same Khrushchev who had once proposed to Conrad Adenauer that the two countries “join together in a common front against the Yellow people”). A still worse fate awaited other Moslem peoples—for example, the Tatars of Crimea and the Chechen-Ingush.

Has this colonial policy definitively resolved the national question in the USSR? We cannot say for certain, but there are signs of national renewal in Turkestan, which is perhaps not unrelated to the speedy replacement of Asiatic Soviet troops by Great Russians in Afghanistan.

DeGaulle believed that the Sino-Soviet conflict was rooted in the geographical proximity of the two countries. In our view, if the Russians embark on an adventurous course, it will reach eastward. Victor Louis' book, *The Coming Decline of the Chinese Empire*, confirms these apprehensions; Louis, a KGB journalist, endeavors to prove, in a language which owes more to *Mein Kampf* than the Marxist tradition, the necessity of dismembering China.⁵ 'Tis a pity that Western leftists do not read more Soviet literature. . . .

These circumstances justify China's rapprochement with the United States. So long as the United States made common cause with the Kuomintang, the Chinese rightly regarded the Americans as their main adversary. But after its defeat in Korea and then Indochina, the United States was compelled to reconsider its international strategy, at least in the short term. The rapprochement that ensued between the United States and China, like every international alliance, is not absolutely neutral: ideological orientations as well as internal policy are implicated to one degree or another.

To be sure, the Soviet threat does not obviate the danger emanating from Western imperialism. During the 1960s China attempted simultaneously to fend off both imperialisms. It immediately expressed approval of the radical directions in which the Cuban revolution was then heading, and encouraged revolutionary liberation movements in the third world (in Bolivia, Algeria, the Congo, the Portuguese colonies, Vietnam, and Palestine) and working-class initiatives in the West (these latter movements, China believed, would sooner or later break with revisionism). By the 1970s, however, the Chinese were forced to rethink the premises of this strategy. Concerned primarily with safeguarding the autonomy of its development, China ended up opting for an alliance with Washington.

Vietnamese expansionism has much in common with Soviet expansionism, in that it tries to surmount the contradictions arising out of statist exploitation by the subjugation of weaker neighbors. It is indisputable that the Indochinese federation was forcibly imposed on the Kampuchean and Laotian people. Second- or third-rate powers must always inscribe their expansionist ambitions in the strategy of one of the superpowers. Think, for example, of the conflicts that set Argentina against Chile or Brazil, and India against Pakistan.

The "justification" for these expansions was formulated by the Soviets when they invaded Czechoslovakia in 1968: Brezhnev then asserted the "limited sovereignty" of small countries caught inside the spheres of influence of the two superpowers. In its subsequent incarnation, this theory assigned responsibility for arbitrating disputes in the socialist family to the "eldest brother." Thus the Soviet party, taking as its pretext the "invitation" extended by Babrak Karmal (who was then residing in Prague, of all places), arrogated to itself the right to decide between Parcham and Khalq in Afghanistan. And thus Le Duan and the Vietnamese Communist Party, after having denied the invasion of Kampuchea (a Cambodian army led by Heng Samrin was alleged to have liberated it!) and any intention of forming an Indochinese federation, today claim the theory of limited sovereignty as their own, hail Moscow's invasion of Afghanistan, and urge the Kremlin to resolve the Polish crisis in the same way.

We must once and for all dispose of the idea that the interventions in Poland, Afghanistan, or Kampuchea serve the cause of socialism (even a 50 percent or 10 percent approximation of social-

ism). The struggle for socialism first implies, here as elsewhere, a struggle against external aggression; and should a broad national alliance prove necessary to successfully wage it, socialist construction *per se* may have to be put off until later.

The struggles which engage the peoples of the world against imperialism are of a no less violent character. Because the United States continues to dominate Latin America, Moscow's prestige is still high there. This idealization of the Soviet Union has both contributed to Cuba's isolation and helped stabilize the bourgeois regimes in Mexico, Brazil, and Argentina (all three of which are objectively allied with imperialism). In Africa and Asia the situation is more complex: interimperialist rivalries are more pronounced, Soviet interventions more reckless, and—what is most important—the dependent capitalist systems more feeble. But here too the national liberation movements invariably come to include fractions which regard the Soviet Union as an objective ally in the face of the awesome power of imperialism and its local satraps. Didn't a good many nationalists in Afro-Asia view Hitler as the number one enemy of the English and French?

By way of conclusion, we may say that (a) just as the advance of socialism in Lenin's time required a radical break with the positions defended by the Second International, so it now requires an equally radical repudiation of the Soviet model: revisionism is the preeminent enemy of socialism in the contemporary world; (b) the "theory of three worlds" best reflects the reality of contemporary world politics, namely, the contention and collusion of the superpowers, the interimperialist rivalries (Europe-Japan-the United States), and the national liberation movements in the dominated countries; and (c) first priority must be accorded to the encouragement of nonalignment vis-à-vis the superpowers. Only in this way will the people's autonomous space be extended, and without this space there can be no struggle for socialism.

6. Ours is an explosive epoch, one which bears comparison with the periods of great crisis that preceded and culminated in the two world wars. A new era of revolutionary struggles has opened up and there is no certainty that it won't climax in an apocalypse. Denying the risks will do as much to diminish them as praying for peace. There is no alternative to squarely facing the challenge posed by the superpowers.

We may anticipate the outbreak of revolutionary struggles in the

years to come. A class becomes objectively revolutionary when it stands to gain nothing from reforms or adjustments which conform to the logic of the particular accumulation model within which it is inserted. It is characteristic of the imperialist model of capital accumulation that the objectively revolutionary forces are in a decided minority in the centers, where the general standard of living rises as productivity increases, while they are in the majority in the peripheries, where popular incomes tend to stagnate (or even regress). This difference determines the specificity of the transition to socialism on a world scale in the contemporary epoch—a specificity impossible to anticipate in Marx's time. On the other hand, because of its long tradition of bourgeois and workers' struggles, the West in certain respects may be ideologically more ripe for socialist revolution than the third world, where the search for national liberation and the prerequisite peasant and democratic national revolution may dilute whatever socialist content the revolutionary movements initially possessed. Hence the following paradox: those who know what must be done do not act on this knowledge, whereas those who act are not always fully aware of the consequences of their actions. This type of transition we may designate a "model of decay" (*modèle de décadence*).

According to the proponents of a counter-thesis, the phase of national liberation is complete or, put another way, the world capitalist system is no longer imperialist in the Leninist sense. The bourgeoisies which have acceded to power in the third world have put their respective countries on the path of capitalist development. To be sure, these theorists acknowledge that economic and political power is distributed unequally on the world scene; hence advanced and backward, strong and weak countries. They maintain that this is not unprecedented, however. A spectrum that ranges from poorest to richest countries has always existed. What is important is that there no longer exist—or there exist less and less—qualitative differences between the center and periphery; rather there is a continuum. Furthermore, backward countries inserted in this global system can quickly make up lost ground. Thus as the semi-industrialized countries develop, the capitalist system's center of gravity will shift to the south and east. The reverberations from these transformations will be felt in every corner of the globe, in the advanced capitalist countries where strictly national production is a myth (every branch of the productive apparatus is

interdependently linked in a supranational web) as well as in the least developed ones. The so-called theory of dependency has outlived its usefulness. And whether we like it or not, it necessarily follows from the fact of interdependence that socialism must be viewed as a global process: de-linking is a formula for failure since, given this context, the productive forces would inexorably enter into a stage of decline.

The argument by defenders of this thesis continues as follows. The regimes in the third world (or at least the majority of the most important states in the south) are national bourgeois, not comprador bourgeois as was the case in the epoch of triumphant imperialism. The national bourgeoisies which govern these states have set their sights on building a capitalist national economy, albeit integrated into the world system. They endeavor to consolidate an infrastructure conducive to development: thus (a) a proletarianized labor market is carved out of the mass of rural labor power deposited in the cities following the disintegration of obsolete agrarian forms and is "regulated" by generous doses of repression, bans on unionization, single-party political systems, and so on; (b) recourse is made to nationalization to guarantee access to and control of indigenous natural resources; (c) the marketing end of the reproduction process is secured by the regulation of internal and penetration of external markets; (d) access to and control of the financial markets is facilitated by the establishment of a monetary and national fiscal system; and (e) measures are taken to ensure gradual access to whatever technology the indigenous industrial apparatus is capable of producing.

If the new bourgeoisies in the south can really claim credit for these accomplishments (defenders of this thesis admit that the record is a mixed bag), then there are elements of both conflict and cooperation in their relationship with the developed capitalist world. Just as there are inter-imperialist rivalries, can't we also speak of rivalries between the rising bourgeoisies in the south and imperialism?

Advocates of this thesis admit that there are also comprador bourgeois states in the third world, states which acquiesce to transnationalization pure and simple and integration into the capitalist system on a "comparative advantages" basis, states which agree to specialize in the export of agricultural goods and mining products and/or industrial exports based on cheap labor. The comprador

state subordinates its own economic policy—if it has one—to the exigencies of transnationalization. In effect, this is another way of saying that the omnipotent monopolies oblige the indigenous labor power of the peripheries to serve their interests via the agency of the comprador state. In return, the comprador bourgeoisie obtains at best a few concessions; sometimes these are purely formal (e.g., ownership of mines but no control over the relevant technology or complementary marketing facilities), sometimes real but insignificant (e.g., the right to organize an agrarian economy from which the state and rural bourgeoisie may derive a small profit or a minor import-substitution industry).

Defenders of this thesis insist that in a number of countries a transformation in internal social relations has resulted in new power relations: in several instances (China, Korea, Vietnam, and Cuba) the state, once beholden to the bourgeoisie, is now committed to building a socialist society; in others (the so-called national capitalist states), because of an unstable equilibrium between the popular and bourgeois social forces, the state is on a “noncapitalist” road; it therefore remains to be seen whether these states will take the socialist or capitalist road.

This thesis is premised on the notion that the bourgeois national project can still be realized in the contemporary world. The evidence adduced to support this contention may be summed up as follows. First, the anticolonial phase of the struggle for national liberation came to an end before 1939. The successive military, political, and diplomatic defeats suffered by the United States (the Korean and Vietnamese wars, the unsuccessful invasion of Cuba, the recognition of China, etc.) confirm the potency of the third world. The oil boycott by the oil producing export countries (OPEC) in 1973 would have been inconceivable thirty years earlier, witness Mossadegh’s failure in Iran. Second, the third world can also count on the “socialist” camp (in the first place, the Soviet Union) to defend its interests; imperialism must reckon with the likelihood of military support from the USSR (Egypt yesterday, Angola and Ethiopia today). If absolutely necessary, the East can also contribute to economic and national construction; in effect, this aid can be used—why not?—to further the cause of socialism. Third, European and Japanese moves to strengthen their relative autonomy vis-à-vis the United States have abetted the self-reliant initiatives of the third world. Look, for instance, at social-democratic efforts to

aid progressive currents in Latin America, the Euro-African project of the European Economic Community (but this example is perhaps doubtful, since the project is patently neoimperialist in intent), the Euro-Arab dialogue, and so forth.

The most fervent partisans of this thesis conclude that the USSR is the "natural ally" of the third world. True, the success of autonomous capitalist—or socialist—development in the third world is, in the last analysis, contingent on the reorganization of internal social relations, but the Soviet Union may still intervene to help preserve national independence.

The all-around capitalist development of the third world is, therefore, not a chimera. If there were some kind of insurmountable barrier separating the center from the periphery, how could we explain the Spanish, Brazilian, Mexican, and South Korean success stories? That the third world intends to take full advantage of the new favorable balance of forces of the world scene is confirmed by the demands for a New International Economic Order (1974) which followed in the wake of the OPEC victory. The reformist project, the beneficiaries of which would be the national bourgeois—but also socialist—forces, is thus being effectively realized. Already, those states which have so desired have won control of their natural resources (nationalization and technical control of oil and copper in Chile, for example) and the financial mechanism in which the production apparatus is inscribed; they are now on the threshold of exporting industrial goods.

In our view, this thesis overestimates the capacities of the third world national bourgeoisies and errs in its evaluation of the objectives, means, and effectiveness of Soviet foreign policy.

There is no denying the fact that the struggle for national liberation, Soviet aid, and inter-imperialist contradictions have modified the balance of forces on a world scale. The goal of the third world bourgeoisies, however, is to both put together a national economy and, at the same time, to integrate this economy into the world system. The New International Economic Order is thus an ambiguous project: will it simply result in the de-localization of the multinationals or will it—as intended by those states which took the initiative in its formulation (Allende's Chile and Boumedienne's Algeria)—check transnationalization? The third world states undoubtedly consider the latter the preferable alternative, but can they see it through? Apparently not. Even what are taken to be

successes in this regard are, in fact, failures. The control which the third world exercises over its natural resources is circumscribed by the necessity of servicing the North (OPEC, for example, cannot cut its oil pipeline) and by the consolidation of comprador-like zones of exploitation (notably in Africa); third world industrial exports penetrate the markets in the North only when it suits the multinationals; the sea is inaccessible to the countries of the periphery; projects aimed at de-linking through "collective self-reliance" (i.e., the intensification of South-South relations) remain a dead letter; and the recycling of cash surpluses primarily benefits the world system. These failures, to our way of thinking, are not partial or conjunctural; they reflect the impossibility of national bourgeois development in our epoch. We conclude that transnationalization, that is, compradorization, is the destiny of the national bourgeois states in the third world.

We would propose the following typology of states in the third world: (a) *Comprador bourgeois states*. These states are distinguished by the historical weakness of their bourgeoisies, the backwardness of their productive forces, and the very limited accomplishments of their national liberation movements (not even national independence has been won). The majority of states in sub-Saharan Africa belong to this group. That they are statist in form, call themselves socialist (if not Marxist), and depend heavily on Soviet support is inconsequential; socio-historic factors of decidedly secondary significance can explain these peculiarities. There is a close affinity between the classical agrarian, merchant, and petty contracting comprador bourgeoisies and the bureaucratic bourgeoisies, especially in the way in which they are inserted into the world system and in their objective function, namely, as intermediaries in the monopolies' exploitation of the peasantry. Soviet support is here conjunctural and fragile: there is ample evidence that in the calculus of Soviet aid the crucial variable is the Kremlin's strategic designs, not the exigencies of local development. (b) *National bourgeois states*. Included in this group are states which have opted for openly capitalist development—namely, the majority of Latin American countries (Mexico, Brazil, Argentina, Chile, etc.) and certain Arab and Asian ones (e.g., Saudi Arabia and South Korea)—and for inclusion in the international capitalist division of labor. (c) *Self-proclaimed "Marxist" states*. This group includes countries whose basic orientation (national bourgeois or socialist)

is still an open question and in which relatively more profound social transformations have occurred (China, Vietnam, North Korea, Cuba, etc.). Two states in this category (Cuba and Vietnam) are integrated into the Soviet bloc's division of labor and two (China and North Korea) have elected for the maximum possible autonomous development.

Is transnationalization the future of those states on an avowedly capitalist path of development? Is socialism compatible with inclusion in the world capitalist or Soviet bloc division of labor? Is de-linking a viable strategy for socialist development? These questions are still open for the moment.

Certain countries in the second group (Brazil, South Korea, Mexico, among others) are often touted as success stories. For us, however, their prospects are not brilliant. The collapse of the Shah's regime in Iran was not a fortuitous event. In effect, the immiseration of the masses, which is what spurred the Iranians into revolt, is part and parcel of the logic of the peripheral capitalist model: imperialism does not leave a sufficient margin for maneuver. Should the masses not rebel, compradorization is inevitable. The price of the failure to make the transition from transnationalization to a national model of accumulation in South Korea is a popular movement demanding radical change. Perhaps the risk of popular insurgencies is not so great in Latin America, but is compradorization not then inevitable?

Countries which have opted for a moderate socialist approach without breaking with the world system invariably come up against the same limits, and there is no getting around them. Not even Nassarite Egypt could escape the fate of compradorization in the end, for what was Sadat's Egypt if not the net result of "noncapitalist" development? And have we so soon forgotten the reasons for Allende's defeat? Not even the alliance with the Soviet Union saved him.

Only countries which have broken with the world system at times have created or are in a position to create a national economy in the image of the bourgeois national project. In all the third world, only China and North Korea have succeeded in building a national economy.

Finally, the thesis that we oppose is deficient in its static conception of the national bourgeois/comprador bourgeois couplet. These concepts were introduced into the Marxist lexicon by the Chinese

Communists in the 1930s. The term "comprador bourgeoisie" designated the intermediary merchant class in the colonial and semicolonial world; the term "national bourgeoisie" referred to that fraction which, in contrast to the compradors, sought to extricate the national economy from the international division of labor by developing an industrial sector. Subsequently, there was a tendency to rigidify this opposition, to insist on a necessary correspondence between industrial activity and the actions of the national bourgeoisie. Such a schema in effect served to conceal the real dynamics of the international division of labor. In the contemporary world system, the compradorization of the bourgeoisies in the periphery goes hand in hand with dependent industrialization: like their predecessors in the 1930s, the *raison d'être* of these bourgeoisies is to assist in the transfer of the local surplus to the monopolies.

In Africa and Asia, where vast, scarcely developed regions still predominate, this process unfolds in its most naked form. The miserable conditions in which the exploited popular masses live continue to deteriorate; the indigenous bourgeoisies are unable to master the process of capitalist transformation now underway. To these obstacles hindering the realization of the national bourgeois project, we must add the difficulties pertaining to the cultural domain. Capitalist modernization also signifies Europeanization. In Afro-Asiatic societies, where cultural roots run deep, opposition to capitalist deculturalization can serve to unite anticapitalist social forces: recent events in Iran are eloquent testimony to the role that culture may play as the ideological cement of disparate social forces. The unique capitalist-statist patterns of development in Japan and South Korea, on the other hand, may bear some relationship to the Confucian culture of East Asia. In this respect, it is worth mentioning that whereas in Vietnam Confucianism is held up as a constituent of the official ideology (along with Marxism), in China and North Korea it is vigorously combatted.

In these conditions the future holds only two possibilities: either the bourgeoisies will acquiesce to transnationalization, or the popular masses will revolt. Transnationalization is as much in evidence in South Korea, which proved incapable of making the transition to a national model of accumulation, as it is in the Arab world, which is moving ever closer to the *infitah* (opening), that is, the Egyptian model of compradorization. The revolt of the masses

which is sweeping parts of the third world is still in its initial confused stages, in which the elements of disintegration prevail. But it is, nonetheless, a necessary first step. Whether these movements will ultimately elect for socialist, statist, or even a return to comprador-type development remains to be seen. Conditions in Central America and the Antilles resemble those of the Afro-Asiatic continents, which perhaps explains why the only breaks with the capitalist model in the Americas have occurred there (Cuba, Nicaragua). In Mexico and South America, development has advanced further, the bourgeoisie is stronger, and political independence has long been a reality. Moreover, the prospect of Europeanization is not only not rejected out of hand by the Latin American bourgeoisies and masses but, on the contrary, is anxiously anticipated. These factors are favorable, in principle, to the realization of the national bourgeois project.

Up until World War II, Latin American intellectuals endorsed the extension of the "modernization-Europeanization" project, which had shaped the United States, to the rest of the Americas. Because of their juridico-positivist orientation, these intellectuals were convinced that if in place of the Iberian "feudal" vestiges and indigenous cultures, European institutions (elections, parliaments, etc.) were substituted, the continent's travails would become a thing of the past. After World War II this formula was slightly reworked: the United States replaced Europe and technology replaced jurisprudence. Industrialization was now the end and urbanization and the middle classes (they being the natural bearers of European culture and democracy) the means. Hence the *desarrollismo* of the 1950s. Industrialization did in fact take place, but the dictatorships did not go away: they simply modernized themselves. It was only after this sorry experience that the Latin American intellectuals discovered "dependence," that is, imperialist domination.

In Asia and Africa, by contrast, imperialism was a daily fact of life throughout the century. Successive generations of the intelligentsia repeatedly posed the same question: how to emancipate, and thereby inevitably modernize, oneself without losing one's soul. The generation which offered a liberal bourgeois answer to this conundrum was followed by one which gave a socialist response. But the debate still rages in all its fullness. The radical bourgeois nationalist attempt which sought to safeguard cultural autonomy in the name of socialism and at the same time "take

advantage" of participation in the world system has failed, Soviet support notwithstanding. The moderate statist model (Arab, African, and Asian socialism), like the comprehensive statist model (Cuba and Vietnam), is at an impasse. The alternative remains: transnationalization and compradorization or socialism and de-linking. And this explains why the systemic crises we are presently witnessing will push the peoples of the third world to the forefront of the struggle for socialist transformation.

To be sure, we do not exclude the possibility that there will be advances in the direction of socialism in the East and West as well. But such progress as is possible is predicated on the liquidation of revisionism. In this sense the revolt of the Polish workers is of capital importance. Whatever the confusions of this movement and of its guiding nucleus (the Committee for Workers' Self Defense, or KOR, in Poland contained a multiplicity of currents, some favoring "modernization and statism" along the lines of Dubcek's Czechoslovakia or Kadar's Hungary, others championing Yugoslav-style self-management or workers' power in the tradition of Rosa Luxemburg, and still others favoring integration in the Western system), whatever the ideological banners under which national unity is realized, this revolt, because it is directed against a local variety of reactionary statism and its external supports, is the harbinger of revolution, not counter-revolution. The echoes of this movement, which undoubtedly will be heard in Eastern Europe and perhaps even in the USSR, may in turn renew the problematic of socialism in the West. The current alternative between liberal bourgeois politics—at best nuanced by the shibboleths of classical social-democracy—and Soviet state capitalism may then finally be transcended.

7. Marxism and the workers' socialist movements have advanced by stages. At each turning point, living Marxism casts off its slough, transforms and enriches itself. The laws it discovered and formulated concerning the evolution of societies apply to itself as well.

The Marxism of Marx responded to the problems of socialist revolution in nineteenth-century capitalist Europe, that is, before the constitution of the world imperialist system. At that time the European working classes, subordinated as they were to the exigencies of national accumulation, were potentially revolutionary. In the less advanced European countries, this accumulation process combined with the still incomplete primitive accumulation of

capital. The pauperization of the rural masses, the misery of the urban proletariat, all the objective prerequisites existed for a revolution uninterrupted by stages, for a transition from the democratic to the socialist stage. Marx himself formulated the theory of weak links and applied it to Germany and Spain.

But by the time Marxism penetrated the Western working classes (during the 1870s and 1880s), it was too late: capitalism was entering on the new stage of imperialism. The laws of capitalism ceased to operate within the framework of each individual European nation; their field of action now extended to all corners of the planet. Henceforth, the most explosive effects of this now global accumulation process would be concentrated in the peripheries. Because the Second International failed to grasp this fact, it lost its bearings on the political map.

That the workers' movement found a way out of the impasse is a tribute to Leninism, which endowed it with a consciousness of this qualitative transformation. That the first socialist revolution occurred in Russia confirmed Marx's forecasts, however belatedly: a peasant and bourgeois revolution had indeed telescoped with a socialist revolution in the weak link, the most backward country of Europe. But the Bolsheviks were not equipped to regard the worker-peasant alliance as the strategic condition of the socialist transition. Bolshevism was a radical offshoot of the workers' movement in Western Europe, where the bourgeois revolution had already resolved the agrarian question. This is why the Bolsheviks tried to implant themselves only within the ranks of the working class. Furthermore, Russia was not part of the new periphery: it was not subjected to imperialist domination. On the contrary, it was itself a nascent imperialist power, albeit backward, since it had not yet had its bourgeois revolution. Revisionism is an historic misadventure, the product of Bolshevism's limitations.

The changes in and reinforcements of the imperialist system, which Lenin well understood at the outset, have continued since his death. It is these new developments that explain why the world's second socialist revolution took place in a country located in the periphery: China. Here, not only did the bourgeois and peasant and socialist revolutions telescope but an anti-imperialist component figured in the struggle; namely, China's revolutionaries sought to disengage their country from the field of imperialist exploitation. Maoism grasped that the worker-peasant alliance and

de-linking from the world capitalist system are the substantive and inextricably intertwined strategic conditions of the socialist transition in the imperialist epoch.

Since the victory of the Chinese Revolution, there have been new developments and transformations in the capitalist system. In certain quarters it is held that the system is no longer imperialist in the Leninist sense: numerous third world countries have completed their bourgeois revolutions and what we are now witnessing in the peripheries is national bourgeois development within the framework of the world system. If this is the case, then we must return to the schemas that Marx advanced in his epoch, save that what he intended for the European continent must now be applied on a global scale. According to a second group of theorists, only if recourse is made to the center-periphery model can postwar development be understood. In this view, compradorization is the future of the third world if it does not de-link. Should this thesis be correct, then the Maoist strategy is still the only answer to the problems posed by the socialist transition.

History will decide which of the two analyses is correct. If socialist transformation begins in the most advanced countries of the world system, the future of the more backward countries is bright indeed; interdependent links will no doubt be established, and the powerful productive forces of the advanced center will accelerate development in the peripheries. But if this transformation begins in the backward regions of the system, then these countries will have only their own resources to count on.

NOTES

PART I: Three Models for Developing the Productive Forces

1. See Samir Amin, *The Contemporary Arab Economy* (London: Zed Press, 1982).

PART II: The Chinese Model

1. On this point, see Thomas G. Rawski, *Economic Growth and Employment in China* (New York: Oxford University Press/World Bank Research Publications Series, 1980). In addition to this study, we would recommend the following: U.S. Congress Joint Economic Committee, *The People's Republic of China: A Reassessment of the Economy* (Washington, D.C.: Government Printing Office, 1975), in particular, the articles by R. Field, J. Kilpatrick, N. Lardy, D. Perkins, and Thomas Rawski; Alexander Eckstein, *China's Economic Development* (Ann Arbor: University of Michigan, 1975); the CIA manual, *People's Republic of China: Handbook of Economic Indicators* (Washington, D.C., 1976); Leslie T. C. Kuo, *Agriculture in the People's Republic of China* (New York: Praeger, 1976); Audrey Donnithorne, *China's Economic System* (New York: Praeger, 1967); Jean Deleyme, *L'économie chinoise* (Paris: Seuil, 1975); Gilbert Etienne, *La voie chinoise* (Paris: CUPF, 1974), and *La Chine fait ses comptes* (Paris: PUF, 1980); Roberto Palmieri, *L'economica della Cina verso gli anni 80* (Rome: Einaudi, 1979); J. S. Burki, *A Study of the Chinese Communes* (Cambridge, Mass.: Harvard University Press, 1969); the articles by Azizur Rahman Khan and Ng Gek-boo in *Agrarian Systems and Rural Development* (Geneva: BIT, 1979) and *Poverty and Landlessness in Rural Asia* (Geneva: BIT, 1977); and the articles in *The China Quarterly*. Many of the most important articles from mainland China are translated and published in the American review, *Chinese Economic Studies* (White Plains, N.Y.: M. E. Sharpe). In Japan, the Institute of Asian Economic Affairs and the Institute of Developing Economies also publish many serious studies (see, in particular, Shigeru Ishikawa, *National Income and Capital Formation in China*, Tokyo, 1965). Patrick Tissier's studies, *Les communes populaires chinoises* (Paris: 10-18, 1976) and *La Chine, Transformations rurales et développement socialiste* (Paris: Maspéro, 1976), although more in the way of political analyses, nonetheless include the salient facts and figures of the above studies. Also noteworthy are Charles Bettelheim, *Cultural*

- Revolution and Industrial Organization in China (New York: Monthly Review Press, 1974) and "The Great Leap Backward," in *China Since Mao* (New York: Monthly Review Press, 1978); K. S. Karol, *The Second Chinese Revolution* (New York: Hill & Wang, 1975); William Hinton, *Fanshen* (New York: Monthly Review Press, 1966) and *Turning Point in China* (New York: Monthly Review Press, 1970); and Jan Myrdal, *Report from a Chinese Village* (New York: Pantheon, 1965).
2. These estimates are by Yang Jianbai and Li Xue-zeng, among others; *Social Sciences in China*, no. 2, 1980.
 3. See Palmieri, *L'economica della Cina*.
 4. See *ibid.*
 5. See his article in U.S. Congress, *The People's Republic of China: A Reassessment*.
 6. David Morawetz, "Vingt-cinq années de développement économique et social," *Economica*, 1977.
 7. Palmieri, *L'economica della Cina*, p. 135.
 8. *Ibid.*, p. 119.
 9. Jovan Pavlevski, "Le niveau de vie en URSS de 1917 à 1980," *Economica*, 1975.
 10. See *ibid.*, p. 167.
 11. For studies on economic growth and planning in the Soviet Union and elsewhere, see, for example, Abram Bergson, *Planning and Productivity Under Soviet Socialism* (New York: Columbia University Press, 1968), *Productivity and the Social System: The USSR & the West* (Cambridge, Mass.: Harvard University Press, 1978), and *The Economics of Soviet Planning* (1964; Westport, Conn.: Greenwood Press, 1980); Gregory Grossman, *Economic Systems*, 2nd ed. (Englewood Cliffs, N.J.: Prentice-Hall, 1974) and *Value and Plan* (1960; White Plains, N.Y.: Greenwood Press, 1976); Wassily Leontief, *The Structure of the American Economy 1919-1939*, 2nd ed. (1951; White Plains, N.Y.: M. E. Sharpe, 1976), *Studies in Structure of American Economy: Theoretical and Empirical Explorations in Input-Output Analysis* (1953; White Plains, N.Y.: M. E. Sharpe, 1976), and *Essays in Economics: Theories, Facts, and Policies* (White Plains, N.Y.: M. E. Sharpe, 1978).
 12. Ellen Brun and Jacques Hersh, *Socialist Korea* (New York: Monthly Review Press, 1976).
 13. Arthur MacEwan, *Revolution and Economic Development in Cuba* (New York: St. Martin's Press, 1980).
 14. See, by contrast, Miklos Haraszti, *Worker in a Worker's State* (New York: Universe, 1978), which looks at the situation in Hungary.

PART III: Maoism and Revisionism

1. I have discussed this subject in *Unequal Development* (New York: Monthly Review Press, 1976), *Imperialism and Unequal Development* (New York: Monthly Review Press, 1977), and *The Law of Value and Historical Materialism* (New York: Monthly Review Press, 1978).
2. On the concept of a "return to legality" and authority, see Agnes Heller and Ferenc Feher, *Marxisme et démocratie* (Paris: Maspéro, 1982).
3. See Samir Amin, *The Contemporary Arab Economy* (London, Zed Press, 1982).
4. See, for example, Samir Amin, "Crisis, Nationalism, and Socialism," in Amin et al., *Dynamics of Global Crisis* (New York: Monthly Review Press, 1982), pp. 167-231.
5. See Victor Louis, *The Coming Decline of the Chinese Empire* (New York: Times Books, 1979).

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